



## We are investing in a sustainable energy future that delivers safe, reliable power to customers

At Minnesota Power, we are committed to delivering the safe, reliable and clean energy our customers in central and northeastern Minnesota rely on to power their daily lives. As we continue on our path toward a carbon-free future under our *EnergyForward* plan, Minnesota Power will need to occasionally propose rate increases to reflect the changing cost of producing and delivering energy and meeting evolving customer demand. Our transition to more renewable energy, creating a more resilient electric grid and expanding programs that give our customers the control they want over their energy use are important investments to ensure safe and reliable energy for the region we serve.

When our costs for doing business go up, we can't just raise the price for the safe, reliable and increasingly renewable energy we deliver to customers. Instead, we undergo a thorough and public review by our state regulators before any potential rate increase is approved. Our operating and maintenance spending is at the same level as it was at the tail end of the Great Recession in 2010, and our customer energy demand is evolving. We now need to adjust our rates to reflect our current revenue and the costs to maintain the system that delivers energy to all of our customers as we advance toward a carbon-free future. The Minnesota Public Utilities Commission (MPUC) is an independent body that must approve any increase in our rates, and we've asked them to review our request to increase our annual revenue by about \$108 million (about 18%). Minnesota Power has completed only three rate reviews in the past 25 years, the last one in 2016.

### Our bold vision is to deliver 100% carbon-free energy by 2050

We've invested significantly in our *EnergyForward* strategy by adding renewable energy sources at a faster pace than most energy companies. We were the first Minnesota utility to deliver energy that is 50% renewable to our customers in late 2020, while also cutting our carbon emissions by 50%. And we're not done—we recently announced our bold vision to reach 100% carbon-free energy by 2050. Our plans to achieve our carbon-free energy vision include:

- Adding an estimated 400 megawatts of wind and solar power to reach 70% renewable energy by 2030.
- Retiring Boswell Energy Center Unit 3 by 2030 and transforming Boswell Energy Center Unit 4 to be coal-free by 2035.
- Reducing carbon dioxide emissions 80% from 2005 levels by 2035.
- Investing in resilient infrastructure to manage the delivery of increasing amounts of renewable energy while providing customers more choice and control.

We know our customers depend on reliable essential services around the clock to power their homes,

businesses, schools and the industries of our region. Under our *EnergyForward* plan, we are strengthening the safety and reliability of our transmission and distribution systems by investing in our grid infrastructure that delivers electricity to customers. These investments have enhanced the security and resiliency of the energy grid, allowed easier integration of renewable energy sources and improved our system's ability to withstand severe weather events.

We've done all of this while working hard to keep our customers' bills affordable. We currently offer one of the lowest residential rates in Minnesota.

### Commitment to customers and communities

As part of our commitment to our customers and the communities we serve, we withdrew our 2019 rate request to provide financial relief to our customers and support the regional economy during the COVID-19 pandemic. We understand we are responsible for building a safe, reliable and cleaner energy future for everyone—and we take that responsibility seriously. This rate review will support those efforts.

## What it means for you

While the MPUC reviews our request, state law allows Minnesota Power to collect higher rates on an interim basis. We have asked the MPUC to set the interim rate increase at 14% for all customer classes, or about \$11.78 per month for the average residential customer. The interim rates will go into effect in January 2022, and remain in effect until a decision is made on final rates. If final rates are lower than the interim rates, we will refund the difference with interest. If final rates are higher than the interim rate, we will not collect the difference.

Our initial rate proposal, if approved by the MPUC, would raise the average \$82.76 residential bill by about \$15 per month, and raise the average \$301.93 small-business bill by about \$55 per month. The MPUC will set the final rates in late 2022 or early 2023.

## Public process

### *Customers can provide input*

As a public utility, we are regulated by the independent MPUC. The role of the MPUC is to ensure safe, reliable and efficient utility services at fair and reasonable rates. We fully support its open and transparent process that will include public hearings, either locally or virtually, where customers can speak to an administrative law judge overseeing the rate review process. Written comments also are accepted on the MPUC website. We also encourage customers to give feedback directly to us by emailing [AskUs@mnpower.com](mailto:AskUs@mnpower.com).

## Manage your energy use

We offer conservation programs that provide tools to help customers manage their energy use and reduce their bill, including experts to analyze energy use in your home or business. We also offer rebates for energy efficiency investments such as LED lightbulbs and appliances. You can learn more at [www.mnpower.com/EnergyConservation](http://www.mnpower.com/EnergyConservation).

Our online MyAccount portal, also available on our mobile app, allows customers to track their energy use and find more ways to save money on their bills.

## Help for paying your bill

Minnesota Power recently obtained MPUC approval to increase assistance for customers who find it difficult to pay their monthly energy bills. We also partner with community programs to connect customers with other help like energy assistance.

Information about these energy assistance programs can be found at [www.mnpower.com/CustomerService/AssistancePrograms](http://www.mnpower.com/CustomerService/AssistancePrograms).