



Testimony: House File 28

February 27, 2025

Always On Energy Research (AOER) is a 501(c)(3) dedicated to ensuring that every state in America has the affordable, reliable energy needed to power the nation and to fuel a robust, rapidly growing economy now and into the future.

AOER believes that H.F. 28 is a commonsense response to the surging demand for electricity to power datacenters during times of high grid stress in Minnesota.

Data centers play a crucial role in modern digital infrastructure, supporting critical industries such as finance, healthcare, and national security. These data centers require reliable power sources to ensure uninterrupted operation, making backup generators an essential component of their design. While the Public Utilities Commission (PUC) has an important role in regulating public utilities, extending its Certificate of Need oversight to backup generators at AI data centers would be unnecessary and potentially harmful for the region's electricity grid and economy.

According to the Long-Term Reliability Assessment (LTRA) published by the North American Electric Reliability Corporation (NERC), the Midcontinent Independent System Operator (MISO) is the regional transmission organization (RTO) most at risk of rolling blackouts due to declining reserve margins as coal plants are retired and replaced primarily with wind, solar, and battery storage resources that do not offer the same reliability profile as the retiring thermal generators. The LTRA indicates MISO could see blackouts as early as this summer.

While AOER believes Load Modifying Resources (LMRs) should not be treated as capacity for reserve margin planning resources, the organization believes they play a crucial role in maintaining grid reliability during times of system stress.

Unlike the iron mines in Northern Minnesota that can idle production to reduce electricity consumption during times of high demand, data centers must be "always on." Allowing these facilities to quickly install adequate backup generation for use during periods of high demand is crucial for ensuring regional grid reliability, which is a prerequisite for benefiting from the economic boost these facilities will supply to the Minnesota economy.

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