



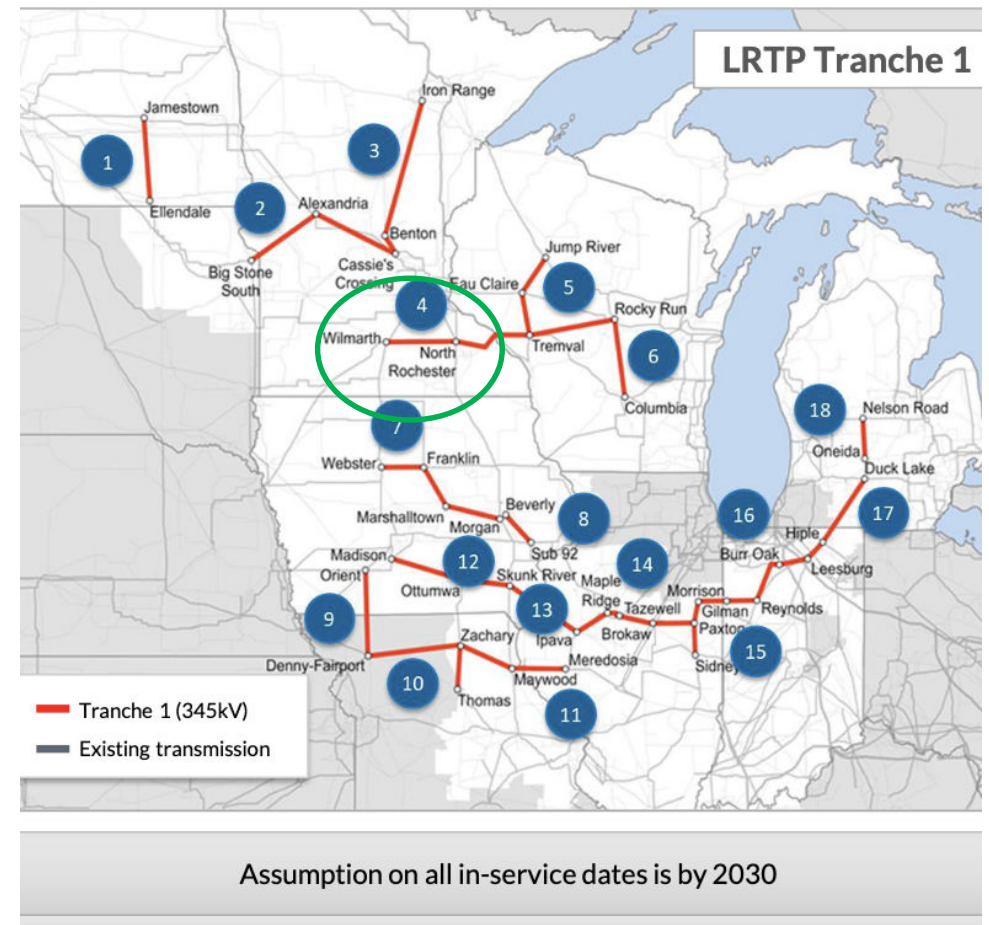
Incentive Rate Filing and Project Update for Grid North Partners

January 21, 2025



MISO Tranche 1 Projects

- \$10.4 Billion in new transmission lines, substations, and upgrades to existing facilities in MISO Midwest.
- MISO classified all projects as Multi-Value Projects (MVP).
- All costs will be paid by the load in the MISO Midwest Subregion based on MWh.
- RPU is seeking ownership stake in LRTP 4 of \$27.9 million, based on MWh ratio share, to offset Tranche 1 costs.
- Grid North Partner utilities involved in LRTP 4 include RPU, XCEL Energy, Dairyland Power Cooperative, and WPPI Energy.



Project Milestones Achieved in 2024

- Filed the Certificate of Need (CON) and Route Permit to the Minnesota Public Utilities Commission (PUC).
- Conducted public outreach hearings with the MN PUC and LRTP 4 project partners to present the need case and preliminary route corridors for the project.
- Executed the Joint Prosecution Agreement between the LRTP 4 project partners.
- RPU filed for transmission rate incentives with the Federal Energy Regulatory Commission (FERC) on RPU's investment in the project.



Transmission Rate Incentive Filing

- On 12/31/24, FERC approved RPU's rate incentives filing RPU's investment in the project which will:
- Allows RPU the ability to recover Construction Work in Progress (CWIP), which results in approximately \$4.4 million of return on CWIP that will be earned during the development and construction period of the project. This return is calculated based on RPU's \$27.9 million ownership and 7.66% rate of return allowed in Attachment FF of the MISO tariff for MVP project ownership.
- Provide 100% Abandoned Plant protections from risks and challenges that are outside of RPU's control that could lead to the cancellation of the project.
- Provide ancillary benefits:
 - Improve RPU's credit rating for the remainder of the project.
 - Increase available on-hand cash position (vs. without incentive).
 - Reduce the amount of financing needed.
 - Improve RPU's adjusted debt ratio position.
 - Lower business risk to rating agencies.



2025 Project Tasks

- Receive CON and Route Permit for the Minnesota PUC in Q3 2025.

Major Certificate of Need Process Steps and Summary Schedule

Step	Approximate Date
Pre-Application public meetings and stakeholder outreach	Second to Fourth Quarter 2023
Certificate of Need Application submitted to Commission	First Quarter 2024
Informational Meetings (public meeting and comment)	Second Quarter 2024
Environmental Report Issued	Third/Fourth Quarter 2024
Public Hearings (public meeting and comment period)	Fourth Quarter 2024
Commission Decision	Third Quarter 2025



2025 Project Tasks (cont.)

- Develop, finalize and execute of all required project agreements which may include, but are not limited to:
 - Project Development Agreement (in progress)
 - Cost Allocation Agreement
 - Joint Ownership Agreement
 - Operation and Maintenance Agreement
 - Capacity Exchange Agreement

- Future Board Actions:
 - Approve the final ownership amount in LRTP 4.
 - Approve RPU's participation in the LRTP 4 project.
 - Approve the execution of the project agreements.



Project Schedule



2022

- Project identified by MISO



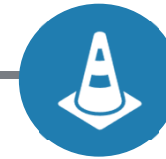
2023 - 2024

- Route development process begins
- Public and stakeholder engagement
- Preliminary engineering
- Submit Certificate of Need and Route Permit Application



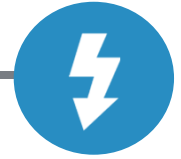
2025-2026

- Minnesota permitting review (including public engagement)
- Final engineering
- Negotiate with landowners to secure easements
- Obtain other required permits
- Continued public and stakeholder engagement



2026-2030

- Construction



2030

- In-service and restoration

Questions?