Utilities: empowering economic development
MEMBERS OF THE PANEL

- Nancy Norr, Minnesota Power, Director, Regional Development
- Tom Lambrecht, Great River Energy, Economic Development Manager
- Trisha Rosenfeld, Xcel Energy, Community Relations & Economic Development Manager
- Mark Lofthus, Dakota Electric, Economic Development Director
Let’s meet the utilities on our panel
Company Information

- U.S. Investor-owned utility
- Electricity and natural gas
- Operation in eight Midwestern and Western states
- Headquarters: Minneapolis, MN
- Four wholly owned utility subsidiaries
  - NSPM
  - NSPW
  - PSCo
  - SPS
- 12,469 employees
- Owned Generating Plants: 76 (17,019.1 MW)
Location of Services

Customers
Electric: 3.5 million
Natural Gas: 2.0 million
Energy Portfolio – NSP

THEN                         NOW                          FUTURE
Customer Makeup

- Residential: 89%
- Commercial: 10%
- Industrial: 1%

Images of residential homes, commercial buildings, and an industrial facility are shown.
Regional Development

EDAM Winter Conference
January 21, 2016
has a compelling business mix

Regulated

- $2.7B rate base
- 15,000 electric customers
- 12,000 natural gas customers
- 10,000 water customers
- 8% equity ownership

Energy Infrastructure & Related Services

- Complementary
  - Energy/water nexus
  - Earnings & cash flow with long-term growth
- Develop, acquire, manage clean and renewable energy projects
- Provides integrated water management for industry
- Contracted revenue
Minnesota Power Service Area
1,300 Employees
26,000 Square Mile Service Area
144,000 Customers
Wholesale Electric Service to 16 Municipalities
MP Serves Industry

- Minnesota Power
- Magnetation
- Essar Steel
- Polymet Mining
- Enbridge
- U.S. Steel
- Steel Dynamics, Inc.
- Cliffs
- ArcelorMittal
- Sappi
- Mesabi Nugget
- Verso
- UPM
- Boise
Customer Mix

Regulated Utility Revenue
12/31/14

- Large industrial customer class
- Service territory includes some of the world’s largest known reserves of taconite, copper-nickel, and other precious metals
- All under long-term, all requirement contract
Tom Lambrecht
Manager, Economic Development Services
GRE and our Member Co-ops

- 28 member cooperatives – 660,000 consumer accounts (Roughly 1.7 million people)
- 4th largest G&T in the nation
- 12 Power plants
- 3,718 MW generation
  - 710 MW renewables
- Employees
  - 915 (GRE)
  - 1,575 (Member Co-ops)
GRE and our Member Co-ops

Member Consumer Mix

- Residential
- Commercial & Industrial
- Seasonal
Generation Resources

- Baseload plants
- Biomass
- Peaking plants
- Wind resources
Renewable Energy

- Solar projects will total up to 650 kilowatts (kW)
  - 250 kW at Maple Grove headquarters
  - 20 kW installations at 19 locations throughout Minnesota

- Other renewables
  - 468 megawatts of wind energy
  - Waste-to-energy plant in Elk River
  - Hydropower
The character of the communities you serve, and what that means for your work in economic development
What kinds of economic development programs do each of our utilities offer?
Incentive Programs and Account Management

- Business Incentive & Sustainability (BIS) Rider
- Energy Design Assistance (EDA)
- Energy Efficient Buildings (EEB)
- Data Center Efficiency
- Competitive Response Rider
- Custom programs
- Key account management
Regional Development

• Strengthen MP’s community presence and the region’s economic prosperity through economic development initiatives and relationship management.
Historic Approach to ED

- Loan Capital
- Affordable Housing
- Marketing/Recruiting
- Industrial/Commercial Development
  - Lake Superior Paper Industries
  - Progress Park
  - Boswell Energy Park
- Low Cost Energy
Current Approach to ED

• Building Capacity
  – Support for LEDO’s and Regional efforts
  – Fill gaps - NorthForce

• Site Selection
  – Respond to energy intensive RFI’s
  – Maintain database of large scale sites

• Industrial Development
  – Laskin Energy Park
  – Boswell Energy Park
    • Lakes States Evergreen
    • Lonza
    • Cohasset Manufacturing Center
    • Taconite Harbor Energy Center
Current Approach to ED

• Targeted Industry Recruitment
  – BioIndustrial
  – Energy Intensive – data centers, LNG,
  – Direct Reduced Iron, Cu/Ni

• Industrial Advocacy

• General MP Support
  – Competitive Rates
    • Area Development Rate
    • ED Rider in process
  – Energy efficiency/conservation programs
  – Distributed generation/renewable
Economic Development

• Identifying resources
• Assessing opportunities

Planning

• Individual
• Organizational
• Strategic

Partnership

• Messaging
• Materials
• Activities

Promotion

3 P’s

GREAT RIVER ENERGY™
Business Attraction

- Trade Shows
  - Industry trade shows (8-10/year)
  - Site Selectors Guild
  - Mid America Economic Development Council
  - Statewide exposure
- Economic development web portal
- Project responsiveness
Economic Development Services

- Site selection and available property
  - Data Center Site Assessment Program
  - Internal sites inventory for project inquiries

- Business outreach and assistance programs
  - Coop key accounts staff
  - Retention & expansion visits
  - Business financing programs (USDA, Internal RLF, SBA, etc.)

- Efficiency
  - Rebate programs
  - E3 loan program
Data Centers Site Assessment

- Create industry expertise
- Quick response time
- Consistency in response
- Reputation/leadership
Lead generation, deal flow, and project management
Relationships with regional and statewide development and marketing entities
Partnerships

- Member Coops
- DEED
- Enterprise Minnesota
- Life Science Alley
- MN Real Estate Journal
- Greater Mankato Growth
- Greater MSP
- IRRRB
- Iron Range Economic Alliance
- Area Partnership for Economic Expansion (APEX)
- MN Chamber of Commerce
- USDA Rural Development
Examples of successful projects
Success Stories

Southern MN Children’s Museum

Washburn Center for Children

Habitat for Humanity Headquarters

Ordway Center for Performing Arts
Power of Partnerships

- Targeted an Industry
- Built the Business Case
- Project Scope & Benefits
- The Package & Partners
- Room For Expansion
Power of Partnerships

- Involta
- MP
- DEDA
- St. Louis County
- State
- Vendors
- Customers
Successful projects

Over 110 projects financed for ~ $35 Million in direct financing

- SAGE Electrochromics (2014)
  - Steele-Waseca – Faribault
  - Business expansion
  - Manufacturer of electronically tintable glass

- Bayer Built Woodworks (2014)
  - Stearns Electric – Belgrade
  - Business expansion
  - Distributor of pre-hung door units and related millwork

SAGE

Bayer Built Woodworks

GREAT RIVER ENERGY
Successful projects

- DataBank (2015)
  - Dakota Electric – Eagan
  - Business attraction
  - Multi tenant carrier-neutral data center
  - Partnership with GreaterMSP, City of Eagan, Dakota Electric, Jones Lang LaSalle
Other ways your utility promotes development of stronger communities
Lots of questions . . .
Hopefully lots of answers