

POWERING OPPORTUNITY, PROTECTING MEMBERS

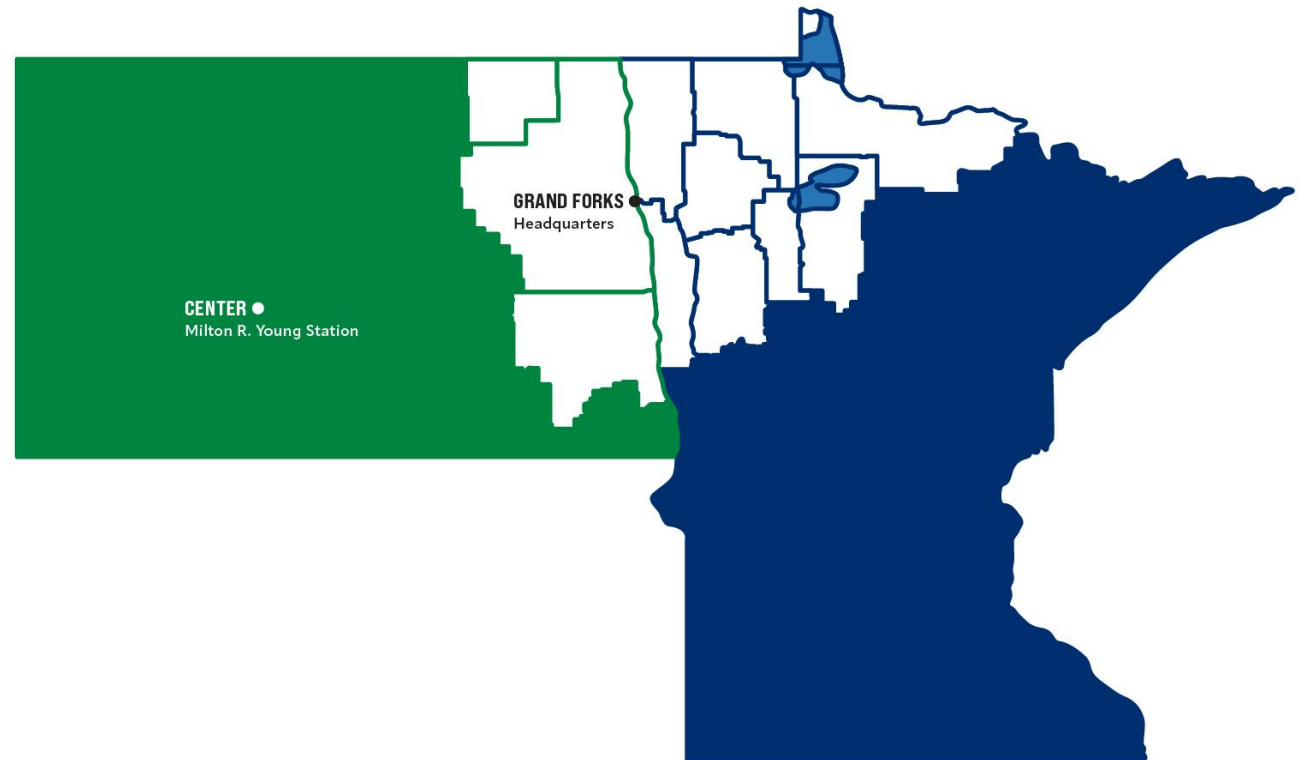
Mac McLennan
President and CEO
Minnkota Power Cooperative



Minnkota Power
COOPERATIVE

ABOUT MINNKOTA

- Wholesale electric generation and transmission cooperative based in Grand Forks, ND
- Not-for-profit formed in 1940
- 11 member-owner cooperatives
- Serve 154,000 member-consumer accounts
- 425 employees
- All generation resources located in North Dakota
 - Coal, wind, hydro
- 3,390 miles of transmission line
- 265 substations



OUR BOTTOM LINE ON DATA CENTERS

- **Our legacy members always come first**
 - Homes, farms, schools and businesses remain our top priority
 - Data center growth must create measurable value for our membership
- Data centers must pay their own way with **no cost shifting** to existing members
 - They must cover all costs from initial studies through commercial operation
 - They must fund all necessary transmission, substation and other grid upgrades
 - They must plan for and fund the generation, capacity and energy needed to serve their load
- Legacy members will not bear the financial risk if a project is delayed, downsized or leaves
- Data centers must provide appropriate financial security and contractual commitments
- New loads must be added at a pace the system can reliably support
- Growth should strengthen Minnkota's long-term rates and financial position

OUR EXPERIENCE: APPLIED DIGITAL DEVELOPMENT

- Nearing completion of large-scale data center near Harwood, ND
 - 280-megawatt (MW) facility
 - Minnkota system peaks near 1,000 MW
- Managed through Large Load Interconnection Process
 - Ensures data center covers all its costs, and each project is studied appropriately
- Construction began in September 2025
- Plans to reach full capacity in early 2027

NEWS NORTH DAKOTA

\$3 billion hyperscale 'AI factory' planned north of Fargo

The city of Harwood houses fewer than 800 people. Soon, it will be home to a 280-megawatt artificial intelligence data center.



A mockup of Applied Digital's 280-megawatt data center, or AI factory, set to be built near Harwood, North Dakota, with construction starting as early as September. Contributed / Applied Digital



COOPERATIVES ARE BUILT FOR THIS MOMENT

- We are not-for-profits owned by the people we serve
 - We have a vested interest in the success of our legacy members because they are our owners
- We helped electrify rural America when few others would
- We are well positioned to support the energy demands of AI, advanced manufacturing, and data-driven industries.
- Our long-term planning approach allows us to responsibly meet emerging opportunities while maintaining reliability



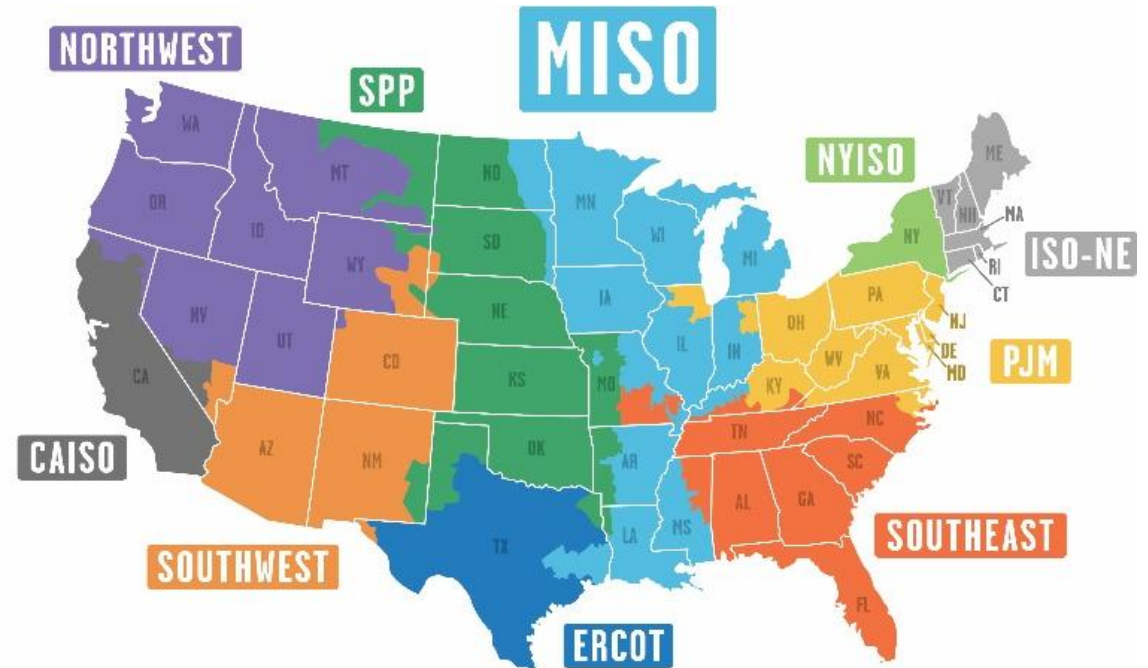
OUR GOVERNANCE MODEL PROTECTS EXISTING MEMBERS

- Because our consumers are also our owners, growth must benefit, not burden, the people who built the system
- Cooperative boards are locally elected and directly accountable to their members
- As not-for-profits, cooperatives are inherently risk adverse
- Cooperative board members will not increase their own electric rates or take on unnecessary risk to accommodate a data center
- Our governance model provides a level of accountability that is difficult to replicate elsewhere



AN INTERCONNECTED GRID

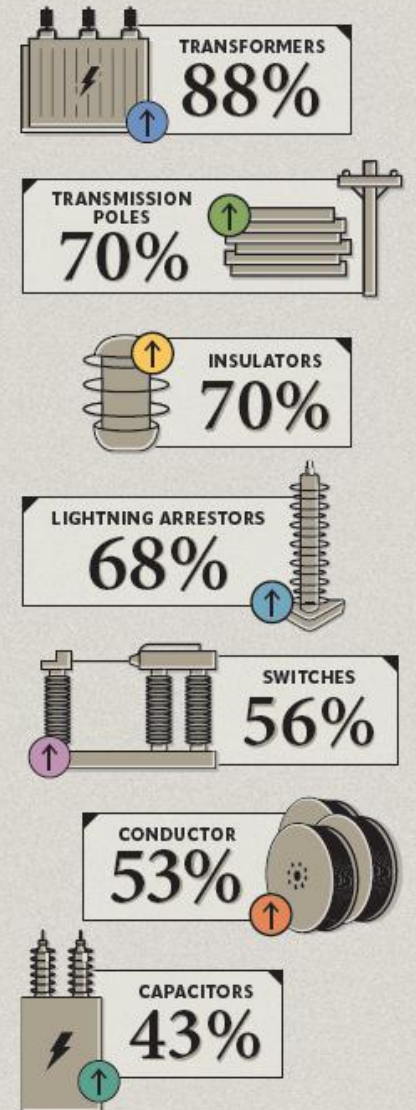
- Minnkota participates in the MISO market
- Western ND utilities primarily participate in SPP
- Entire system is interconnected
 - We all benefit from working together
 - Challenges in other parts of the country can and do impact us
- If we say no to data centers, they will go elsewhere
 - We face the potential impacts without any of the benefit



CURRENT STATE: A GRID UNDER PRESSURE

- Infrastructure is aging
 - Much of system is 50-70 years old
- Costs are rising
- Supply chains remain challenged
 - 1-2 years for electric equipment
 - 5-6 years for a new generator
- Demand for electricity is growing
 - Legacy loads continuing slow growth
 - Manufacturing, data centers and changes in electricity utilization are accelerating growth
- Reliability needs are becoming more complex

MATERIAL COST INCREASES SINCE 2020



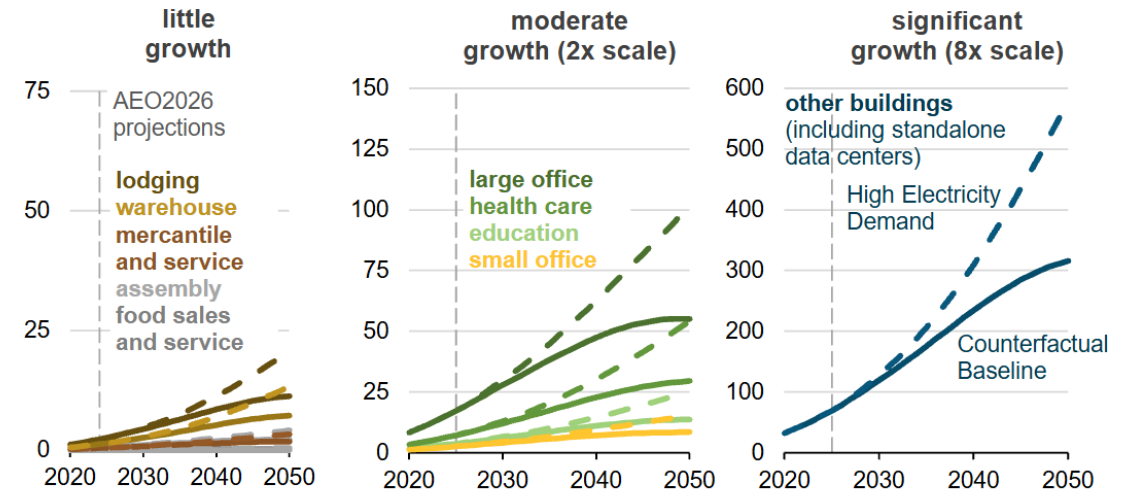
DEMAND GROWTH CREATES OPPORTUNITY AND RESPONSIBILITY

- Electricity demand is increasing after decades of relatively flat growth
- Onshoring of manufacturing, electrification and data centers
- Growth can strengthen rural communities if planned responsibly
- Reliability, cost allocation and timing matter

MAY 19, 2026

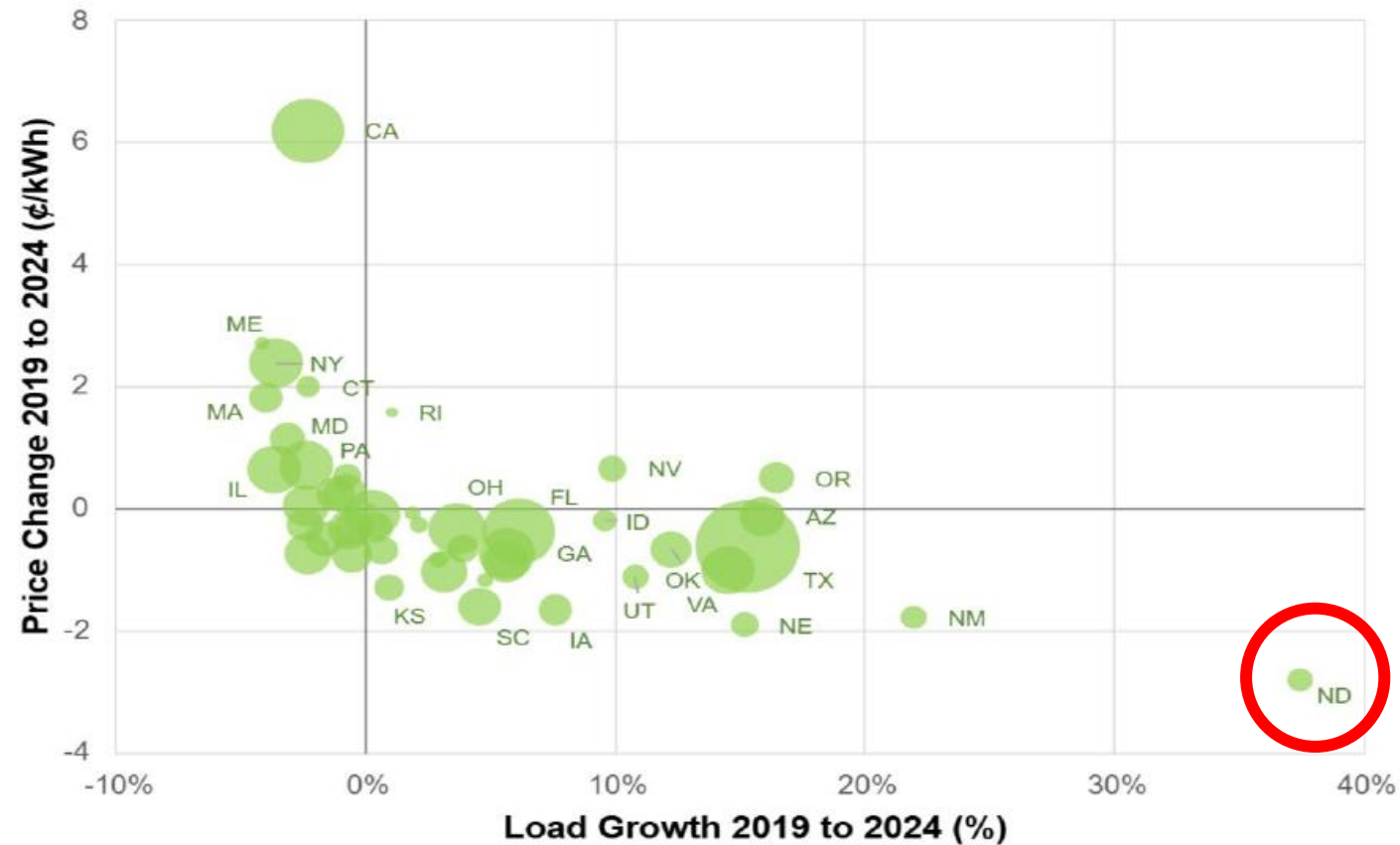
Data center server energy use grows across the commercial building stock

U.S. data server energy use by commercial building type (2020–2050)
billion kilowatthours



Data source: U.S. Energy Information Administration, *Annual Energy Outlook 2026* (AEO2026) Counterfactual Baseline and High Electricity Demand

PRICE CHANGE/LOAD GROWTH BY STATE



NDSU DATA CENTER GUIDE

- NDSU Challey Institute For Global Innovation and Growth published a guide on what North Dakota needs to know about data centers
- Separating fact from fear
- *“Misinformation invites bad policy...Good information and good planning together can let North Dakota capture an enormous opportunity while protecting the communities that host it.” – Dr. Robert Mayo*

Will my electric bill go up?

“This is the worry we hear most, and the honest answer is reassuring: the best evidence says typically no. The largest hyperscale projects bring their own power, so they don’t lean on your grid in the first place. And even for the grid-connected kind, the research points the opposite direction from the fear.”

AI Data Centers: What North Dakota Needs to Know A plain-language guide to the facts behind the headlines

Robert L. Mayo, PhD

August 2026

Why we wrote this

Artificial intelligence has set off the biggest wave of data center construction in history, and North Dakota is squarely in the middle of it. Our legislature is holding hearings, developers are knocking, and in July 2026, New York became the first state to hit the brakes, pausing new large data center construction for a year while it sorts out the rules.¹

That makes this a good moment to separate fact from fear. A lot of what gets said at public hearings is true. Some of it isn't. And some of the loudest worries turn out to depend entirely on how a project is built. This guide walks through the concerns we hear most often, the electric bill, the water, the noise, and lays out what the evidence actually shows. Then it turns to what North Dakota stands to gain, because the benefits are real and they're unusually large for a state our size. The goal isn't to cheerlead or to alarm. It's to give North Dakotans and their legislators an honest, sourced picture so we can make good decisions.

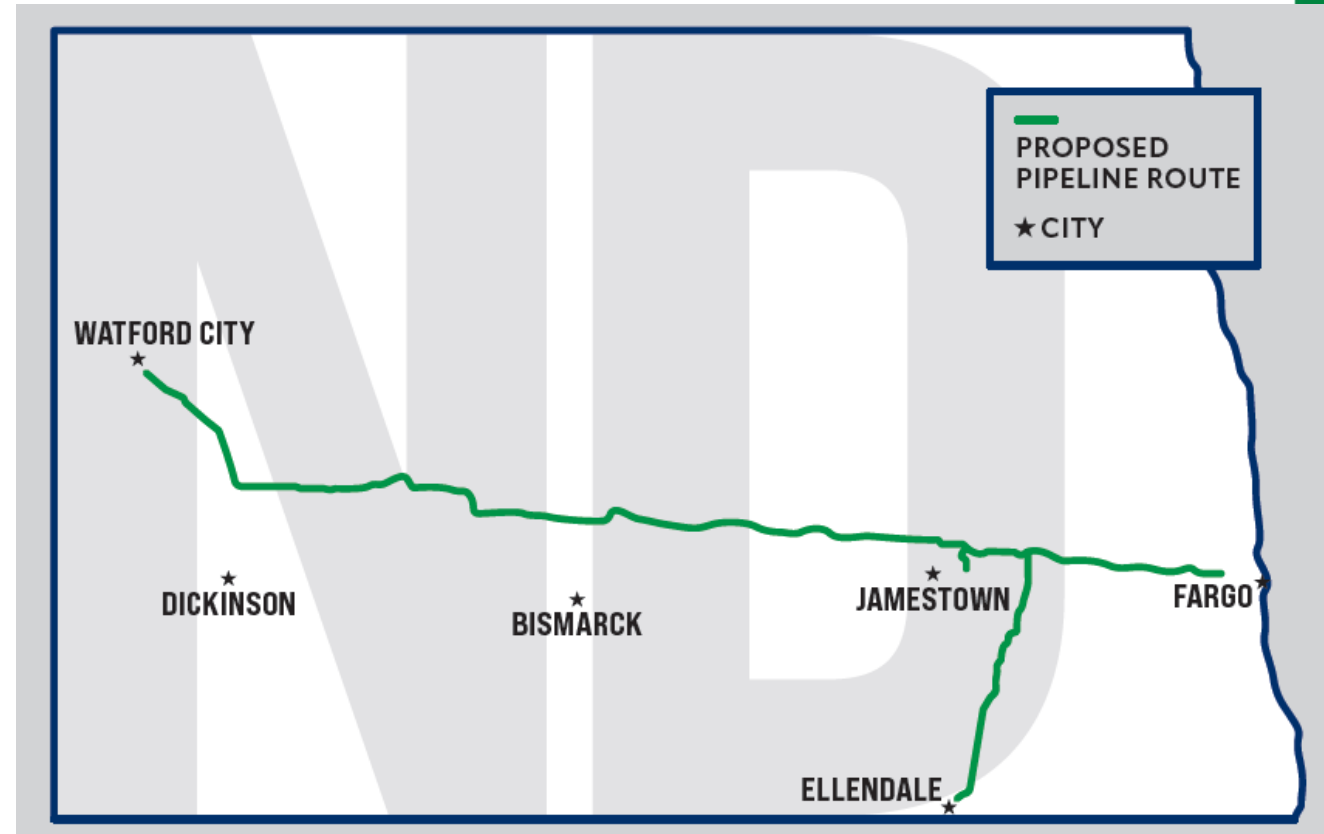
First, there are two very different kinds of data centers

Most of the confusion in the public debate comes from lumping two very different things under one name. Getting this distinction clear settles half the argument before it starts.

- **Grid-connected data centers** draw their power from the local utility, the same grid that serves your home. They typically run from about 100 megawatts up to one gigawatt. Because they pull electricity from the shared grid, these are the projects where questions about electric rates and grid strain are relevant.²
- **Hyperscale, behind-the-meter facilities** are the giants. They are multiple gigawatts, and they're so large that no ordinary grid can serve them. So they build and run their own power plants on-site, usually using natural gas, sometimes nuclear. Because they

BAKKEN EAST PIPELINE DEVELOPMENT

- It is critically important that North Dakota gets natural gas to the eastern side of the state for legacy members and future economic development
 - Data centers can help ensure this happens
 - Helps drive down cost for legacy members



A ONCE-IN-A-GENERATION OPPORTUNITY

WE MUST GET IT RIGHT

- People are asking legitimate questions about electric rates, reliability, land use, and who benefits from this growth.
- Those concerns deserve thoughtful answers, not dismissal.
- At the same time, North Dakota is uniquely positioned to attract investment, create jobs, strengthen communities, and convert its energy advantages into long-term prosperity.
- Our state is an energy powerhouse – we should use that to our advantage within our own borders

QUESTIONS?

