

Minnesota to lose more than \$600 million through termination of federal energy grants

The Trump administration denied cancelling the funding in Democratic states due to the shutdown, but Democrats widely view it as retribution.

Author: Danny Spewak

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SAINT PAUL, Minn. — Minnesota stands to lose more than \$600 million in federal energy grants after the Trump administration terminated about a dozen projects connected to the state, according to lists provided by the U.S. Department of Energy and a member of Minnesota's Congressional delegation.

Shortly after the government shutdown began last week, the Department of Energy announced the cuts in Minnesota and a handful of other largely Democratic states, [totaling more than \\$7.5 billion](#). Energy Secretary Chris Wright has denied that the program cancellations had anything to do with the shutdown and said the agency reviewed the merits of the projects for months.

"A team of seven or eight people have evaluated over 2,400 projects just on business conditions, whether it makes sense for the American taxpayers or not," Wright said. "So no, I mean timing of announcements, I don't control that always. But these decisions are made all in the Energy Department, all based on facts."

Democrats, meanwhile, have widely viewed the grant terminations as retribution for the shutdown, given the concentration in blue states. The cancelled projects are largely, though not exclusively, focused on issues around climate change, renewable energy and energy efficiency.

"These are big packages that we put together to help keep Minnesota energy effective, efficient, and have fewer disruptions and keep costs down for ratepayers," Rep. Betty McCollum (D-Minnesota) said. "This is being punitive, this is being harmful, this, in my opinion, almost bears to be childish."

The largest terminated grant in Minnesota involves a \$464 million award to the Minnesota Department of Commerce, related to upgrading the electrical transmission lines across seven Midwestern states. A Commerce spokesperson said Monday that the department

still has not been formally notified about the cancellation, but last week, the agency argued the cuts could be potentially illegal if true.

The other cancellations involve millions of dollars in reductions to major power companies in Minnesota, such as Minnesota Power in Duluth that serves northeastern Minnesota, Otter Tail Power, Cummins Electrified Power and Native Sun Community Power Development for tribal communities.

The \$50 million grant termination associated with Minnesota Power and ALLETE, Inc., was part of a broader modernization project. DFL State Sen. Grant Hauschild said the state had already come forward with \$25 million in matching grant money for that project.

"These are competitive, merit-based grants at the federal level that we were going toward clean energy infrastructure," Hauschild said, "toward our energy grid, making sure we have the power we need."

The list of terminated projects also includes initiatives such as an American Lung Association car-sharing program for the east side of St. Paul.

"That project, called Greater East Side Expansion, was designed to empower East Side Saint Paul residents to determine how carshare can improve access to jobs, shopping, and healthcare, while also reducing air pollution," the American Lung Association wrote in a statement to KARE 11. "This DOE announcement is a definite setback to this work, although we are still moving forward on other work to expand the carshare network on the East Side of Saint Paul."

Another significant project on the list of terminations includes \$70 million for Xcel Energy, involving a [battery project](#) in Colorado and Minnesota to store renewable energy. The Minnesota plant associated with that project is based in Becker, which falls in Republican U.S. Rep. Tom Emmer's district.

Emmer, who also serves in House leadership as Majority Whip, said on a press call with local media last week that Democrats were to blame for the shutdown and [sent a letter Tuesday](#) urging Democratic senators Tina Smith and Amy Klobuchar to "end this unnecessary government shutdown" by voting for the GOP's continuing resolution. Emmer said he had not spoken with the U.S. Department of Energy about the termination of the Xcel funding in his district.

"The battery project in Becker, why would I be talking to them?" Emmer said. "I need to be talking to Amy [Klobuchar] and Tina [Smith] and Chuck Schumer and telling them, knock it off."

In an interview, Senator Smith responded by saying that "it is the Republican administration that cancelled these grants."

"So I don't know how you could blame Democrats, who are not doing any of this," Smith said. "What I would say to Rep. Emmer is, I am fighting to get Congress to act to stop a massive increase in health insurance premiums."

Senator Klobuchar also criticized the Trump administration's project terminations in a statement released Tuesday.

"At a time when Americans are struggling with rising prices on everything from groceries to electricity, the Administration is canceling projects that would increase energy supply and lower energy bills across Minnesota," Klobuchar said. "Canceling federal investments in electricity projects that would lower electricity rates will hurt Minnesotans."

Source: <https://www.kare11.com/article/news/local/minnesota-to-lose-more-than-600-million-through-termination-of-federal-energy-grants/89-7d0bf5ec-f03b-407e-b8a7-0ff14448b43d>