



ALLETE Announces Agreement with Minnesota Department of Commerce to Deliver Immediate Post-Closing Cost Savings and Substantial Benefits for Customers and Communities

July 11, 2025

Department Determines Acquisition of ALLETE is "Consistent with the Public Interest" and Recommends MPUC Approval

DULUTH, Minn.--(BUSINESS WIRE)--Jul. 11, 2025-- ALLETE, Inc. (NYSE: ALE) (the "Company") announced that the Company and its transaction partners Canada Pension Plan Investment Board (CPP Investments) and Global Infrastructure Partners (GIP) have reached an agreement with the Minnesota Department of Commerce that will deliver immediate cost savings and substantial benefits to Minnesota Power customers and communities following the approval and completion of the proposed transaction. With this settlement agreement, the Minnesota Department of Commerce, which is charged with advocating for the public interest in utility matters, supports the acquisition of ALLETE as being consistent with the public interest and recommends approval by the Minnesota Public Utilities Commission.

The Minnesota Department of Commerce joins a growing body of supporters of the transaction, including the International Brotherhood of Electrical Workers (IBEW) Local 31, which represents certain employees of ALLETE companies; the Laborers' International Union of Minnesota and North Dakota; the International Union of Operating Engineers Local 49; the North Central States Regional Council of Carpenters; the Minnesota Chamber of Commerce; Duluth and Hermantown Chambers; Energy CENTS Coalition; and Head of the Lakes United Way.

"We are steadfast in our commitment to providing excellent service to our customers, supporting our communities and meeting the policy goals of the State of Minnesota, and we are pleased to have reached an agreement that will deliver enhanced benefits for our customers, our employees and the communities we serve," said ALLETE Chair, President and CEO Bethany Owen. "This agreement demonstrates our commitment to listening and working collaboratively with our stakeholders, and we've appreciated the close collaboration with the Minnesota Department of Commerce to address matters raised by the Department and others through this process. The strong and growing local support we've received reflects a shared understanding that this transaction is the right step forward for Minnesota Power. With increasing clean energy and infrastructure needs now and well into the future, partnering with the two experienced, long-term investors we've chosen is crucial to advancing our company's commitment to building a clean-energy future and achieving the state's carbon reduction goals, while safeguarding reliable power and keeping customer bills as low as possible."

"We are pleased with today's announcement by the Minnesota Department of Commerce in support of the proposed transaction, which further ensures the needs of customers, communities and employees will continue to be at the center of ALLETE's mission," said Jonathan Bram, Founding Partner of Global Infrastructure Partners (GIP). "Given our long-term track record of successfully investing in high-performing critical infrastructure, we look forward to partnering with ALLETE's management team to build a stronger foundation for Minnesota's energy future."

"The Minnesota Department of Commerce's endorsement affirms that our partnership will create lasting value for customers and communities," said James Bryce, Managing Director, Head of Infrastructure, CPP Investments. "By combining our long-term capital and sector expertise with ALLETE's strong management team, we will help ensure Minnesota Power continues to provide safe, reliable, and affordable electricity today while advancing its transition to a sustainable, clean energy future."

The settlement agreement, which is contingent on MPUC approval and completion of the transaction, includes expanded Minnesota Power stakeholder commitments across several key areas of focus including:

- **Immediate cost savings for customers:** As part of this agreement, Minnesota Power has committed to a one-year customer base rate freeze, ensuring rate stability for customers during a period of economic uncertainty, and agreed to reduce its Return on Equity from 9.78% to 9.65% post close until a future rate case, which will directly translate to lower costs passed through to customers.
- **Maintaining strong customer service levels:** ALLETE, CPP Investments and GIP have agreed to enforceable service quality and system reliability performance metrics for Minnesota Power to guarantee customers continue to receive the high levels of reliability and quality they expect.
- **Guaranteed access to capital to fund the clean energy transition:** CPP Investments and GIP have agreed to the funding of the Company's five-year capital plan, ensuring ALLETE will have access to the capital necessary to support the work underway to advance its transmission and renewable energy goals.
- **Clean firm technology funding:** The settlement also establishes an investor-funded \$50 million Clean Firm Technology Fund to advance important local projects and partnerships critical to a reliable and sustainable energy transition.
- **Transparency and governance:** ALLETE and its partners have agreed to establish a holding company structure for the go-forward company's regulated assets, which will further ensure Minnesota Power's customers are protected from risks associated with non-utility business activities. The partners have also agreed that six directors of the 14-member Board of Directors will be independent with several from Minnesota and Wisconsin, ensuring regional voices have a greater influence in utility decision-making.

This agreement also expands upon the stakeholder commitments previously announced by ALLETE, CPP Investments and GIP, which include:

- Retaining ALLETE's workforce and maintaining current compensation levels and benefits programs;

- Honoring existing union contracts and, further, extending ALLETE's collective bargaining agreement with the International Brotherhood of Electrical Workers (IBEW) Local 31 by two years;
- Maintaining headquarters in Duluth, Minnesota, with Bethany Owen continuing as CEO and the current management team remaining in place;
- Contributing to local communities in ALLETE service territories, including through an up to \$3.5 million CPP Investments and GIP-funded residential customer arrearage forgiveness program designed to support eligible low-income customers.

Following transaction close and as previously stated, Minnesota Power will remain locally managed and operated in Duluth and will continue to be regulated by the Minnesota Public Utilities Commission, ensuring local oversight and control of rates and energy planning. Costs related to the transaction will not impact retail or municipal rates for utility customers.

The proposed transaction is expected to close in 2025 and is subject to approval by the Minnesota Public Utilities Commission and other customary closing conditions. The settlement agreement has been submitted to the MPUC for consideration as part of its overall review of the acquisition. The transaction has achieved all other required approvals, including from ALLETE shareholders, the Federal Energy Regulatory Commission and the Public Service Commission of Wisconsin (PSC).

Further information on the benefits of ALLETE's proposed transaction can be found at www.alleteforward.com.

About Minnesota Power

Minnesota Power provides electric service within a 26,000-square-mile area in northeastern Minnesota, supporting comfort, security and quality of life for 150,000 customers, 14 municipalities and some of the largest industrial customers in the United States. More information can be found at www.mnpower.com.

About ALLETE, Inc.

ALLETE, Inc. is an energy company headquartered in Duluth, Minnesota. In addition to its electric utilities, Minnesota Power and Superior Water, Light and Power of Wisconsin, ALLETE owns ALLETE Clean Energy, based in Duluth, Minnesota; BNI Energy in Bismarck, North Dakota; and New Energy Equity, headquartered in Annapolis, Maryland; and has an 8% equity interest in the American Transmission Co. More information about ALLETE is available at www.allete.com.

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ALLETE calculates and reports carbon emissions based on the GHG Protocol. Details are in ALLETE's Corporate Sustainability Report.

The statements contained in this release and statements that ALLETE may make orally in connection with this release that are not historical facts, are forward-looking statements. Actual results may differ materially from those projected in the forward-looking statements. These forward-looking statements involve risks and uncertainties and investors are directed to the risks discussed in documents filed by ALLETE with the Securities and Exchange Commission.

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