MINNESOTA
PUBLIC UTILITIES COMMISSION

NEW DECISION OPTIONS

Proposed by Commissioner Partridge

September 25, 2025 and October 3, 2025

PUC DOCKET NUMBER	E-015/PA-24-198
ANALYSTS	Robert Manning, Godwin Ubani
DATE/TIME SUBMITTED	9/16/2025, 3:00 p.m.
TITLE	Partridge New 30–38
ATTACHMENT	No
SUBJECT	In the Matter of the Petition of Minnesota Power for Acquisition of ALLETE by Canada Pension Plan Investment Board and Global Infrastructure Partners

The following proposed decision options represent additional commitments the Partners and Minnesota Power could agree to that would result in affirmative benefits to Minnesota Power's ratepayers, workers, and communities served. These proposed decision options do not necessarily reflect a full package of commitments that would result in my support for the proposed acquisition.

Investor-Funded Weatherization Fund

New 30. Minnesota Power shall create a Weatherization Fund as follows, using $10 million in funds provided by Alloy Parent that will be accounted for as a regulatory liability.

a. Alloy Parent shall make $2 million installments to the Weatherization Fund annually, beginning January 1, 2026, until the $10 million commitment is fulfilled. By January 10 of each year until the $10 million commitment is fulfilled, Minnesota Power shall make a filing with the Commission confirming that the annual payment to the Weatherization Fund has been made.

b. Alloy Parent and Minnesota Power shall complete all annual contributions to the Weatherization Fund totaling $10 million no later than January 1, 2030.
c. Neither contributions to the Weatherization Fund nor portions of an investment or project financed with the Fund are eligible for cost recovery from Minnesota ratepayers.
d. Energy savings and the associated net benefits achieved through the Weatherization Fund are not eligible to be included in the calculation of Minnesota Power's Energy Conservation and Optimization utility financial incentive.
e. The objective of the Weatherization Fund is to reduce heating and cooling loads in participating homes. Energy savings may be achieved and expressed in electricity, natural gas, propane, or heating oil savings.
f. The Weatherization Fund will only be used to support investments in weatherization and energy conservation for Minnesota Power electric customers who qualify for low-income Energy Conservation and Optimization services, as determined by Minnesota Statutes § 216B.2402. Among eligible customers, Minnesota Power shall prioritize those who use delivered fuel for heating.
g. The Weatherization Fund shall be used to install measures in the following categories: building envelope energy efficiency and air source heat pumps that can provide space heating and cooling.

AND

New 31. Minnesota Power shall submit a plan to the Commission by June 1, 2026, detailing how it proposes to spend the Weatherization Fund for the subsequent three calendar years (2027 through 2029) and every three years thereafter until the fund is fully depleted. The Commission shall approve, modify, or deny the plan.

h. Minnesota Power shall submit an annual report each April 1, detailing Weatherization Fund achievements compared to forecast for the prior calendar year. The report shall include at least the following data for each program:
    i. Planned and actual spending
    ii. Planned and actual participation
    iii. Types and number of measures installed
    iv. Planned and actual energy savings, expressed as kWh, Dth, or BTUs

v. Planned and actual kW demand reduction
vi. Discussion of additional participant, utility, and environmental benefits provided through the Weatherization Fund.

Commitment to Minnesota-based Call Center Employees

New 32. The Partners and Minnesota Power shall continue to locate Minnesota Power's call center staff, including Customer Care and Support Supervisors, Customer Care and Support Representatives, and Quality Assurance Specialists, in Minnesota and maintain staffing levels of no less than 20 call center employees (representing 10% below Minnesota Power's historic 5-year average Minnesota call center staffing levels) for at least 10 years.

New 33. The Partners and Minnesota Power shall maintain average hourly wages for Minnesota Power's Minnesota-based call center staff at no lower than current average hourly wages, plus the rate of Consumer Price Index on an annual basis for at least 5 years.

Commitment to Minnesota-based Employees

New 34. Minnesota Power shall maintain internal expertise to provide high-quality utility service and continue to provide high-quality, Minnesota jobs. The Partners and Minnesota Power shall maintain employee staffing levels of no less than 10% below Minnesota Power's 5-year historic average employment levels (1,078 employees, as calculated based on Minnesota Power's response to IR 12) unless approved by the Commission in a general rate case.

New 35. Minnesota Power shall continue to prioritize local, union labor whenever possible and shall require contractors and subcontractors to pay their workers prevailing wage.

Settlement Workforce and Labor Protections

New 36. Modify Settlement Stipulation ¶ 1.58 as follows:

> Minnesota Power nonunion employees will maintain the same or better position and compensation and benefits for ~~two~~ five years following the close of the transaction and all existing collective bargaining agreements will be honored.

Settlement Other Commitments

New 37. Modify Settlement Stipulation ¶ 1.71 as follows:

> The Partners and Minnesota Power acknowledge Minnesota Power's obligations under Minnesota's Carbon Free Standard Law and commit to support Minnesota Power with additional expertise and capital as necessary to enable Minnesota Power to comply with the Carbon Free Standard through implementation of Commission Orders, including in IRP and related dockets. ~~commit to efforts to achieve Minnesota's Carbon Free Standard with least cost pathways to compliance ultimately determined by the Commission in IRP and related dockets.~~

Alternative Resource Plan

New 38. Minnesota Power shall work with the Minnesota Department of Commerce and other participants in Docket No. E015/RP-25-127 to develop an alternative resource plan scenario without the 750 MW of new combined-cycle natural gas resources proposed in Minnesota Power's March 3, 2025 integrated resource plan. By December 15, 2025, Minnesota Power shall file the alternative scenario accompanied by a qualitative description of the scenario and its costs and benefits, as well as a quantitative analysis of how the scenario performs on the factors listed in Minnesota Rules part 7843.0500, subpart 3.