

**STATE OF MINNESOTA**  
**BEFORE THE**  
**MINNESOTA PUBLIC UTILITIES COMMISSION**

In the Matter of the Joint Petition of  
ALLETE by Canada Pension Plan  
Investment Board and Global  
Infrastructure Partners  
Pension Plan Investment Board

**PUC Docket No. E-015/PA-24-198**  
  
IBEW Local 31 -  
EXCEPTIONS TO THE  
ADMINISTRATIVE LAW JUDGE’S  
REPORT

Pursuant to the Minnesota Public Utilities Commission’s July 18, 2025, Notice of ALJ Report and Opportunity to File Exceptions, the International Brotherhood of Electrical Workers (IBEW) Local 31 respectfully submits the following Exceptions to the Administrative Law Judge’s (ALJ) Findings of Fact, Conclusions, and Recommendations in the above-captioned matter. These Exceptions are grounded in our position as the exclusive representative for many of the skilled utility workers at Minnesota Power and reflect our interest in ensuring that any transfer of ownership does not diminish labor protections or operational stability.

**I. EXCEPTION TO FINDING G – LABOR IMPACTS**

**A. The ALJ’s citation of broad private equity data lacks application to the regulated utility context.**

The ALJ cites a 2019 University of Chicago and Harvard Business School study, which found that employment declines by 13 percent over two years following take-private buyouts of publicly listed firms, and that the bankruptcy risk for such firms is ten times higher than firms that were not taken private. While these statistics are academically

credible and contextually useful, they do not reflect the distinct regulatory structure or capital recovery model applicable to Minnesota Power.<sup>1</sup>

This study does not consider the unique protections embedded in the regulated utility environment. The acquiring entities, GIP and CPP Investments, are infrastructure-focused investors that theoretically rely on the financial health and long-term operational stability of the utility in order to realize returns via cost recovery mechanisms regulated by the Commission. As such, it would be counterproductive to destabilize Minnesota Power, the vehicle through which those regulated returns are recovered.

### **B. Labor risk and the role of oversight**

The ALJ concludes that there is credible evidence of potential labor risks arising from private equity acquisitions, including the possibility of layoffs or erosion of worker protections. IBEW Local 31 acknowledges this concern but emphasizes that Minnesota's regulatory structure, including the Commission's oversight authority and statutory obligations, provides an important safeguard. Should adverse impacts to the union workforce materialize, IBEW Local 31 affirms the importance of the Commission as a meaningful forum to raise and resolve such concerns. The Commission's visible ongoing responsibility to ensure fair treatment of both workers and consumers offers a critical layer of protection under Minnesota law.

### **C. The ALJ's reference to SunPower's bankruptcy illustrates the contrast between unregulated and regulated energy sectors.**

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<sup>1</sup> ALJ Report, Finding 276, Section G, Labor Impacts, citing 2019 University of Chicago and Harvard Business School study

In highlighting the recent SunPower bankruptcy, the ALJ draws a relevant distinction between the largely unregulated, non-unionized clean energy industry and the highly regulated environment of a public utility.<sup>2</sup> SunPower's collapse underscores the risks faced by workers and customers when regulatory oversight is absent. Unlike firms operating in competitive clean energy markets, Minnesota Power operates under statutory and regulatory structures that embed accountability and safeguard reliability, fiscal discipline, and labor protections. The retention of assets by a utility, particularly within the Minnesota regulatory framework, enables this crucial oversight to occur. We concur with Judge McKenzie's finding that the SunPower model differs greatly from Minnesota Power's structure but wish to emphasize the pressing need to focus meaningful investment in the regulated sector.

**D. The clean energy industry's labor record further supports regulated utility investment models.**

As reflected in public comments and policy research, the clean energy sector is frequently associated with lower wages, diminished worker protections, and business models that prioritize profit maximization in unregulated markets. In contrast, the entry of private capital into the regulated utility space offers an opportunity to reinforce and extend protections, including workforce stability, collective bargaining, and long-term infrastructure investment tied to enforceable standards.

**II. COMMENT ON DOC STIPULATIONS – WORKFORCE AND ENFORCEMENT MEASURES**

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<sup>2</sup> ALJ Report, Finding 473.

IBEW Local 31 applauds the Minnesota Department of Commerce (DOC) for securing meaningful stipulations and enforceable language that serve the public interest. In particular, we strongly support:

the Commission's retained authority to impose penalties under Minn. Stat. § 216B.57 for violations of the stipulations or Commission orders; the requirement for annual compliance reporting for a ten-year period post-closing, which must include:

- Workforce levels
- Labor relations
- Status of collective bargaining agreements.

These commitments reflect a balanced and transparent approach that strengthens oversight while acknowledging the vital role of workers in utility performance and public service delivery.<sup>3</sup>

### **III. CONCLUSION**

IBEW Local 31 respectfully takes exception to the ALJ's findings as they relate to labor impacts and the presumed risks associated with private equity investment. We believe the record demonstrates that the potential for long-term financial stability and responsible infrastructure investment under the proposed transaction outweighs the generalized and unproven risks cited in opposition. With the thoughtful stipulations secured by the Department of Commerce, including enforceable reporting and oversight mechanisms

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<sup>3</sup> DOC Stipulations, Section III, Reporting and Enforcement Provisions.

that prioritize labor stability and accountability, we support the transaction's approval as structured.

Dated: August 4, 2025

Respectfully submitted,

**Kristin Renskers**

/s/ Kristin Renskers

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