

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

Katie J. Sieben	Chair
Hwikwon Ham	Commissioner
Audrey C. Partridge	Commissioner
Joseph K. Sullivan	Commissioner
John A. Tuma	Commissioner

**In the Matter of the Petition of
Minnesota Power for Acquisition
of ALLETE by Canada Pension Plan
Investment Board and Global
Infrastructure Partners**

DOCKET NO. E-015/PA-24-198

PETITION FOR RECONSIDERATION

CURE hereby petitions the Public Utilities Commission (Commission) for reconsideration of the Commission’s Order Approving Petition for Acquisition With Conditions and Establishing Other Requirements (Order).¹ This petition is pursuant to Minnesota Statutes § 216B.27 and Minnesota Rules 7829.3000.

CURE petitions for reconsideration for the limited purpose of reopening the record and allowing the Commission to further develop relevant testimony on the issue of Minnesota Power’s actual plans for data center development in its service territory. Testimony submitted to the Commission in this proceeding stated that Minnesota Power “does not have any specific plans related to data centers,”² and generally only suggested a generic interest in the topic, but information that became available after briefing, exceptions, and all comment periods in this docket puts that in question.

Because data center development and rational load growth are so important to the people of Minnesota, the Commission, and the economics of this acquisition, further record development would benefit the public interest and help inform the Commission on how to best regulate Minnesota Power and other utilities going forward. Reconsideration

¹ *Order Approving Petition for Acquisition With Conditions and Establishing Other Requirements*, MPUC Docket No. E-015/PA-24-198, Dec. 10, 2025, eDockets No. 202512-225721-01 [hereinafter “Order”].

² Taran Rebuttal - Capital Needs and Credit Ratings, at 29, Mar. 4, 2025, eDockets No. 20253-216055-05.

in this case would likely not require reversing the acquisition,³ but it would help to illustrate whether conditions imposed as protections against self-dealing contained in the Commission's Order will be sufficient to protect the public interest.

1. Timeline

- Late 2024: Many emails between the City of Hermantown, the City Administrator and other staff, include “Arik Foresman (MP)” in detailed discussion about a project under development in Hermantown called “Project Loon.”⁴
- On September 18, 2024, the City Administrator of the City of Hermantown sent an email regarding “project loon” to other city staff where he states that it is a “Data Center next to MN Power substation” and that “MN Power introduced this project to us[.]”⁵
- On February 13, 2025, the Economic Development Director of the City of Hermantown sent an email regarding “Loon” and directed it to two Minnesota Power employees, Arik Foresman⁶ and Stacey Green, and stated that “Arik and I thought it might be wise for our two groups to connect and compare notes on Loon . . .”⁷
- In response to the above email, on February 14, 2025, Arik Foresman indicates⁸ that he and Stacey will be available to meet on February 24th.⁹
- On March 4, 2025, Minnesota Power filed rebuttal testimony in this docket, including from Joshua D. Taran regarding Capital Needs and Credit Ratings, where Mr. Taran stated:

Additionally, Witness Walters' comments ignore trends in the industry related to load growth from data centers. While the Company does not have

³ The Commission of course retains authority to take any appropriate action within its authority should it choose to reconsider.

⁴ CURE did not have access to these documents before the record closed in this docket. The email correspondence, obtained through the Data Practices Act by MCEA, is lengthy. CURE is happy to provide the files to the Commission, but for the sake of keeping this filing short, does not want to e-file hundreds of pages of material needlessly.

⁵ Attached as Appendix A to this petition.

⁶ Mr. Foresman is also a city council member in the City of Duluth, but this appears to be a communication with him as an employee of Minnesota Power as it was sent to his work email address and to a colleague at Minnesota Power whose position is “Regional Development Lead” and whose job includes attracting new industrial load to the utility's service territory.

⁷ Attached as Appendix B to this petition.

⁸ Consistently, this email came from Mr. Foresman's Minnesota Power email address.

⁹ See Appendix B to this petition.

any specific plans related to data centers, it is not reasonable for witness Walters to entirely ignore this industry-wide trend. It is important that Minnesota Power be well positioned to meet these potential changes, given the benefits they could bring to the region and the existing customer base.¹⁰

- On March 25, 2025, Daniel McCourtney, Manager of Strategic Environmental Initiatives for ALLETE submitted a letter of support to the City of Hermantown for rezoning the land around what was later revealed to be Project Loon because rezoning the area “aligns with Minnesota Power’s business needs to provide reliable electricity to our customers.”¹¹
- On March 31, 2025, in response to the Office of the Attorney General’s Motion to lift trade secret designations, Minnesota Power’s attorneys asserted “Electric utilities throughout Minnesota are working to attract new, large commercial customers, such as data centers, to their service territories.”¹² This filing does not discuss Project Loon whatsoever.
- In May of 2025, the Minnesota Center for Environmental Advocacy (MCEA) requested public documents and data from the City of Hermantown regarding a development project that was eventually revealed to be code named Project Loon.
- On June 17, 2025, the Duluth News Tribune reported that Minnesota Power’s adjacent substation “was recently rezoned to allow for communication services, such as data storage.”¹³
- On September 18, 2025, MCEA received¹⁴ public data from the City of Hermantown pursuant to the Data Practices Act.
- On September 24, 2025, the Duluth News Tribune reported that “Secretive Hermantown project is a data center, documents show” – this reporting cites to records obtained from the City of Hermantown pursuant to the Data Practices Act.¹⁵

¹⁰ Taran Rebuttal, *supra* note 2, at 29.

¹¹ Attached as Appendix C to this petition.

¹² Minnesota Power Response to OAG Motion, at 11, eDockets No. 20253-217020-01.

¹³ Brielle Bredsten, *Potential large-scale industrial development signals growth in Hermantown*, June 17, 2025, <https://www.duluthnewstribune.com/business/potential-large-scale-industrial-development-signals-growth-in-hermantown>.

¹⁴ CURE only obtained records from the City of Hermantown’s production under the Data Practices Act after the record in this proceeding had closed.

¹⁵ Peter Passi, *Secretive Hermantown project is a data center, documents show*, Duluth News Tribune, Sept. 24, 2025,

- On October 3, 2025, the record closed in the instant docket.
- On October 13, 2025, a consortium led by BlackRock’s Global Infrastructure Partners (BlackRock/GIP)—announced the acquisition of Aligned Data Centers for approximately \$40 billion. The transaction would expand Aligned’s 50-campus, 5 GW platform across the U.S. and Latin America.¹⁶
- On October 17, 2025, MCEA received the remainder of its requested public data from the City of Hermantown pursuant to the Data Practices Act.
- On November 14, 2025, BlackRock/GIP and Spanish construction firm ACS confirmed reports of a €2 billion (\$2.33bn) joint venture to build and manage a 1.7GW portfolio of data centers across the US, Europe, Asia, and Australia. The joint venture could also include an additional project capacity of up to 11GW.¹⁷

2. Benefit of further record development outweighs any potential for harm

Simply put, the statements of Hermantown city employees and their coordination with Minnesota Power regarding Project Loon seem to contradict the story told to the Commission by the Applicant’s representatives in testimony and briefing. While CURE has no reason to believe that any person gave intentionally false testimony before the Commission, the statement that Minnesota Power “does not have any specific plans related to data centers,” submitted by Mr. Taran on March 4, does not appear consistent with his colleagues’ work promoting and organizing the development of Project Loon.

Moreover, in this record, when the Applicants have rebutted opposing parties’ arguments about data center development the Applicants’ representatives made no effort to identify this project and how it will impact this acquisition and the utility’s long-term profits and energy needs (an issue at the center of the discussion of whether this acquisition is consistent with the public interest). Speaking in broad generalities about data centers as an industry trend is not the same as forthright information about immediate plans to develop a data center that will impact Minnesota Power’s financial viability in the coming years, and the Commission deserves better information to factor in how this project may impact the acquisition.

<https://www.duluthnewstribune.com/news/local/proposed-hermantown-data-center-comes-into-clearer-focus>.

¹⁶ Michelle Chapman, *Group including Nvidia and BlackRock is buying Aligned Data Centers in deal worth about \$40 billion*, Associated Press, Oct. 15, 2025, <https://apnews.com/article/blackrock-microsoft-nvidia-aligned-data-centers-ai-7ae3765c56b397b43e4370047e1222de>.

¹⁷ ACS, *BlackRock launch 2 billion euro data centre joint venture*, Reuters, Nov. 14, 2025, <https://www.reuters.com/business/acs-blackrock-launch-2-billion-euro-data-centre-joint-venture-2025-11-14/>.

Reopening the record and investigating the issue of Minnesota Power’s promotion and coordination of Project Loon would allow the Commission to hear directly from Arik Foresman, Daniel McCourtney, and Stacey Green, key city staff in Hermantown shown to be working with Minnesota Power, and any other additional utility staff who have been working on this project behind the scenes for a year or more now. These key staff members can provide supplemental testimony to inform the Commission of how they have made and executed plans to develop a data center in Hermantown that would have large impacts on other Minnesota Power customers’ livelihoods, and on the region’s environment. The Commission can also learn more about how this project does or does not impact the profits of BlackRock or the Partners through other investments in data center developers and technology companies. This record development would help to square Minnesota Power staff’s actions behind the scenes with Mr. Taran’s testimony, and the filings of the Applicants’ many attorneys, all of which did not disclose the nature or existence of this project, and how it may change the overall value or structure of Minnesota Power in the coming years.

At this point the acquisition has officially closed, according to press statements made by ALLETE¹⁸ and subsequently reported in news outlets.¹⁹ That milestone need not be reversed in order to assure that the Commission has a complete record. Stated another way, the Commission can reconsider its order without immediately unwinding the acquisition – it has the discretion to limit reconsideration towards record development to better inform itself regarding protective conditions without necessarily starting at square one. Additionally, any matters that qualify as “trade secret” under Minnesota law may be provided to the Commission and parties to this case as “trade secret” without any harm to the Applicants’ business interests.

3. Public interest

Since Project Loon was confirmed in the news as a data center in Hermantown, it has been a cause célèbre that has brought large amounts of public attention and concern to energy infrastructure needs and development in the Minnesota Power footprint. A grassroots organization called Stop the Hermantown Data Center has sprung up, organized thousands of supporters online and in person, and sued the City of Hermantown for an inadequate environmental review of the site preparation

¹⁸ Press Release, *ALLETE Announces Completion of Acquisition by CPP Investments and Global Infrastructure Partners*, Dec. 15, 2025,

<https://www.businesswire.com/news/home/20251215651998/en/ALLETE-Announces-Completion-of-Acquisition-by-CPP-Investments-and-Global-Infrastructure-Partners>.

¹⁹ *Allete announces completion of acquisition by CPP, GIP*, Yahoo Finance, Dec. 16, 2025, <https://finance.yahoo.com/news/allete-announces-completion-acquisition-cpp-145540751.html>.

development.²⁰ People in northern Minnesota, many of them Minnesota Power customers, have serious questions about what this project means for them and the affordability of their Minnesota Power bills.

This is worth investigating further to assure public confidence. In light of the bankruptcy²¹ and significant pain suffered by employees²² and customers of another BlackRock private equity portfolio company, the public has a strong interest in knowing how Minnesota Power's interests may be subsumed to other investments that the Partners will favor in pursuit of higher profit. As discussed in testimony and briefing, there are serious concerns that private equity investors will put profit before the interests of low-income captive investors in Minnesota. And as reporting mounts about the opaque and circular financing for data centers²³ and the risks this poses for already frothy private markets—both equity and credit²⁴—it is critical that the Commission, public officials, and the public itself has a better handle on how to insulate the critical service provided by Minnesota Power from the ramifications of an increasingly likely AI boom and bust.²⁵

²⁰ Sophia Lauber, Lawsuit filed against Hermantown data center project by residents and environmental advocacy groups, Northern News Now, Nov. 6, 2025, <https://www.northernnewsnow.com/2025/11/07/lawsuit-filed-against-hermantown-data-center-project-by-residents-environmental-advocacy-groups/>.

²¹ Emmy Martin, *How a private-equity collapse sank Minnesota Rusco*, Star Tribune, Nov. 14, 2025, <https://www.startribune.com/how-a-private-equity-roll-up-sank-minnesota-rusco/601522505>.

²² *Renovo files for Chapter 7 bankruptcy; Assets less than \$100,000; Liabilities at least \$100 million*, Qualified Remodeler, Nov. 4, 2025, <https://www.qualifiedremodeler.com/renovo-home-services-reportedly-shutters-operations-ownership-brands-and-financial-status-unclear/> (“Jay Deems, former owner of Minnesota Rusco, expressed frustration with the abrupt nature of the closure as well as the lack of runway for terminated workers from a parent company, BlackRock, with deep pockets. ‘As a previous owner for almost 20 years, it sickens me that a firm that manages over \$3 trillion in assets would put their employees on the streets without any notice and is cancelling their insurance in three days with no chance for COBRA. Unbelievable.’”).

²³ Tabby Kinder, *Tech groups shift \$120bn of AI data centre debt off balance sheets*, Financial Times, Dec. 23, 2025 https://www.ft.com/content/0a9d6cd-6b94-4e22-a559-f047734bef83?utm_social_handle_id=did%3Aplc%3A5u54z2qgkq43dh2nzwzdbbhb&utm_social_post_id=632271316; Cade Metz, *Why Debt Funding Is Ratcheting Up the Risks of the A.I. Boom*, The New York Times, Nov. 10, 2025, https://www.nytimes.com/2025/11/10/technology/ai-data-centers-debt-risks.html?unlocked_article_code=1.AIA.C5A5.S04P3ZdoBnOP&smid=url-share.

²⁴ Roge Karma, *Something Ominous Is Happening in the AI Economy*, The Atlantic, Dec. 10, 2025, <https://www.theatlantic.com/economy/2025/12/nvidia-ai-financing-deals/685197/>.

²⁵ Center for Public Enterprise, *Bubble or Nothing: Data Center Project Finance*, November 2025, <https://publicenterprise.org/wp-content/uploads/Bubble-or-Nothing.pdf>.

Moreover, filings in this docket make it patently clear that the Applicants do not anticipate any reportable conflict of interest between Blackrock, the Partners, and Minnesota Power’s interest in Project Loon. The Applicants lawyers have repeatedly argued that: “Data center investments, on their own, however, do not establish any specific affiliated interest or improper coordination related to ALLETE or its operations.”²⁶ Nevertheless, data center development does not exist in the abstract, and this denial reads differently when you consider that Minnesota Power was apparently pursuing and planning a data center project during the pendency of this docket – while the filings in this docket made no mention of that project or how it may create conflicts with BlackRock/GIP’s planned billions of dollars of investment in building out data centers in the United States. Now that Project Loon is known to the community, the utility and its new owners should demonstrate how existing ratepayers are to be protected from the “improper coordination” that is strongly suggested by GIP’s statements²⁷ and recent actions to maximize profit building data centers.

Other regulatory proceedings before the Commission will likely not be able to replace the utility of gathering more information in this docket at this time. Even though the Commission has no plenary authority in determining need or site permitting for data center development, it does have authority to oversee and approve utility rates for these large industrial customers – which will only regard Project Loon when it is fully planned a permitted at the local level. The Commission can also serve an important role when data centers’ plans include enough on-site generation to trigger the requirement for a power plant Certificate of Need – but there is no information in this record or otherwise whether Project Loon will be designed in such a way to require a Certificate of Need. CURE recognizes that the Commission will continue to serve an important, but still quite limited, role in regulating data center development in the coming years, and those potential future dockets cannot replace addressing the issue holistically in this proceeding.

It is in this docket that data center development and overall utility profit seeking is relevant to the Applicant’s overall business case for the take-private acquisition, and subject to the Commissions oversight. Unfortunately, no other state agency has comprehensive permitting authority over data centers,²⁸ the Commission has the best opportunity for rational policy development before it in this docket.

²⁶ *Petitioners’ Update of Joint Proposed Findings of Fact, Conclusions of Law, and Recommendation to Approve the Acquisition*, at 68, August 4, 2025, eDockets No. 20258-221746-01. The same language was substantially reproduced in the Applicants’ Joint Proposed Findings of Fact, Conclusions of Law, and Recommendation submitted to the ALJ, at 67, May 29, 2025, eDockets No. 20255-219382-02.

²⁷ These statements, made by the CEO of GIP who also sits on the board of BlackRock, are detailed in CURE’s expert testimony and briefing in this docket.

²⁸ From a regulatory standpoint, data centers are more similar to bowling alleys than they are to iron mines. The environmental review and decisions about going ahead with a data center are largely handled at the local level, and there is no data center regulatory

If the Commission does not seek this information now, it will not be able to guide Minnesota Power towards the public interest in its data center projects, and will be relegated to a reactive role rather than a proactive one.

4. Conclusion

For the reasons stated above, CURE requests that the Commission reconsider its Order in the above-captioned docket and take further testimony on the issues of data center development, and protections against conflicts of interest. Doing so would best serve Minnesota, and better protect ratepayers from corporate overreach and environmental harm.

Dated: December 30, 2025

Respectfully submitted,

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corollary to a Permit to Mine administered by the DNR, notwithstanding the fact that a data center can consume significantly more energy than an operating mine and ore processing plant.