

## Staff Briefing Papers

**Meeting Date** February 19, 2026 **Agenda Item 1\*\***

**Company** Minnesota Power

**Docket No.** E-015/PA-24-198

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

**Issues** Should the Commission reconsider the decision to approve the Acquisition for the limited purpose of reopening the record to gather information on Minnesota Power’s plans for possible Data Centers in its service territory?

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**✓ Relevant Documents**

	<b>Date</b>
Order Approving Petition for Acquisition with Conditions and Establishing Other Requirements – Public Utilities Commission of Minnesota	December 10, 2025
Petition for Reconsideration and Appendices A, B, and C - CURE	December 30, 2025
Response to Petition for Reconsideration – Minnesota Power	January 9, 2026
Comments – LIUNA Minnesota/North Dakota	January 12, 2026

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The attached materials are work papers of the Commission Staff. They are intended for use by the Public Utilities Commission and are based upon information already in the record unless noted otherwise.

## BACKGROUND

On July 19, 2024, Minnesota Power (MP, the Company) filed a Petition for approval of Acquisition of its parent company ALLETE, Inc., of which Minnesota Power is an operating division, by Canada Pension Plan Investment Board (CPPIB) and Global Infrastructure Partners (GIP; Collectively, the Partners). This Petition was referred to Administrative Law Judge Megan McKenzie for a contested case proceeding by the Commission in an Order dated October 7, 2024. Minnesota Power, the Partners, LIUNA, North Central States Regional Council of Carpenters and IUOE Local 49, Energy Cents Coalition, and IBEW Local 31 filed comments and testimony generally in favor of the Petition, while the Department of Commerce, Division of Energy Resources (Department), Office of the Attorney General Residential Utilities Division (OAG), CURE, Sierra Club, Large Power Intervenors (LPI), and Citizens Utility Board of Minnesota (CUB) filed testimony generally opposed to the Petition.

Parties filed testimony on December 12, 2024 (Minnesota Power Direct), February 4 - 6, 2025 (Parties Direct), March 4, 2025 (All Parties Rebuttal) and March 25-26, 2025 (All Parties Surrebuttal). After public and evidentiary hearings, briefs, public comments, and a settlement proposed by MP and the Department, ALJ McKenzie filed her Findings of Fact, Conclusions of Law, and Recommendation on July 15, 2025, recommending that the Petition be rejected.

On December 10, 2025, after several rounds of modifications to the Settlement Stipulation by MP and the Department in response to various parties' and the Commission concerns about the Settlement, the Commission approved the Petition as modified by the Updated Stipulation Agreement of September 30, 2025, including modifications filed on September 24, 2025 with a few additional conditions agreed to by MP.

On December 30, 2025, CURE filed a Motion for Reconsideration of the Order of December 10<sup>th</sup>, for the limited purpose of requesting that the record be reopened to review certain statements made in testimony by MP regarding data centers which CURE believes may have been inaccurate, in light of later public information. On January 9, 2026, MP filed comments in opposition to the Motion.

## DISCUSSION

### I. Legal Standard

Petitions for reconsideration are subject to Minnesota (Minn.) Statute (Stat.) Section (§) 216B.27, and Minn. Rules, part 7829.3000. When Petitions for Reconsideration are filed, the petitioner must “set forth specifically the grounds relied upon or errors claimed.”<sup>1</sup> The Commission traditionally reviews petitions for reconsideration “to determine whether the petition (i) raises new issues, (ii) points to new and relevant evidence, (iii) exposes errors or

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<sup>1</sup> Minn. R. 7829.3000, subp. 2.

ambiguities in the underlying order, or (iv) otherwise persuades the Commission that it should rethink its decision.”<sup>2</sup>

Petitions for reconsideration are denied by operation of law unless the Commission acts within sixty days of the request. If the Commission takes no action on CURE’s petition, the request would be considered denied as of February 28, 2026. Because February 28, 2026 is a Saturday, this denial would arguably not be in effect until Monday, March 2, 2026. The Commission may also take specific action to deny the petition by issuing an order denying reconsideration.

## II. Motion for Reconsideration by CURE

CURE’s motion for Reconsideration related to statements by Minnesota Power Witness Joshua Taran regarding data centers. In Rebuttal Testimony, 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 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.<sup>3</sup>

CURE filed in its Motion several sources, including emails between MP employees and the City of Hermantown (City), filings before the City by ALLETE’s Manager of Strategic Environmental Initiatives, news reports, and data received under the Data Practices Act from the City regarding a potential data center to be built in that city known in early documents as “Project Loon.” CURE argued that MP was in discussions with the City regarding this project at the same time MP was asserting in Testimony and later briefs that MP “does not have any specific plans related to data centers” at the same time these discussions were underway. CURE did not assert intentionally false testimony was given, but did argue there was a contradiction between the testimony and the information CURE later received from the City.

CURE noted that, in this Petition’s record, the applicants have rebutted opposing parties’ arguments about data center development without identifying this project and how it will impact the acquisition and the utility’s long-run profits and energy needs, an issue at the center of the case for this Acquisition. CURE argued that speaking broadly about data centers is not equivalent to forthrightly providing information about immediate plans to develop a specific data center which would have impact on MP’s financial viability.

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<sup>2</sup> *In the Matter of the Application by Northern States Power Company d/b/a Xcel Energy for Authority to Increase Rates for Electric Service in the State of Minnesota*, Docket No. E-002/GR-21-630, Order Denying Petition for Reconsideration, Denying Petition for Clarification, and Granting Clarification at 2 (October 6, 2023).

<sup>3</sup> Rebuttal Testimony of Joshua Taran

CURE argued that reopening the record would allow the Commission to hear directly from relevant staff at the City regarding this project, and would allow the Commission to receive supplemental testimony from MP regarding the impact this data center would have on the City and on MP's customers. The Commission can also learn about any connections to or effects that this data center might have on MP's new owners or BlackRock, GIP's parent company.

CURE noted that the acquisition has now closed, according to news sources and ALLETE, but that the Motion for reconsideration as filed by CURE need not take steps to reverse that milestone. Instead, it was intended to look into how this project would affect the public interest regarding this data center. CURE cited issues at another energy-industry firm controlled by BlackRock and expressed concerns that the new private equity owners would put profits before the interests of low-income captive investors in Minnesota. CURE also noted that some data centers have had murky and circular financing, and that this could result in impacts on MP customers other than the data center.

CURE cited Petitioners' statements that

Data Center investments, on their own, however, do not establish any specific affiliated interest or improper coordination related to ALLETE or its operations.<sup>4</sup>

CURE contrasted this statement with the failure of ALLETE to disclose its discussions regarding Project Loon when data centers were discussed in this docket. CURE argued that failing to review this issue in this docket would put the Commission in the position of reacting to data center proposals later rather than proactively examining them now.

CURE requests that the Commission reconsider its Order in Docket 24-198 and take further testimony on the issues of data center development and protections against conflicts of interest. CURE argued that this action would best serve Minnesota and better protect ratepayers from corporate overreach and environmental harm.

### **III. Reply to the Petition**

#### **A. Minnesota Power**

Minnesota Power opposed the Request for Reconsideration by CURE. MP cited three basic concerns.

First, MP asserted that CURE does not ask the Commission to change any part of the Acquisition

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<sup>4</sup> Petitioners Update of Joint Provided Findings of Fact, Conclusions of Law, and Recommendation to Approve the Acquisition, at 68, August 4, 2025.

Order, and in fact noted that reconsideration, in this case, would not likely require reversing the Acquisition. MP argued that CURE is requesting that the record in this case, which has been closed since the Hearing, be reopened to address an issue that is tangential to the key issue of this docket – whether the Acquisition was in the public interest. The request does not argue the legal standard used by the Commission, any ambiguity, or any new issue, nor does it identify a defect in the analysis, any fact misunderstood by the Commission, or any aspect which would change the decision. MP argued that Reconsideration is not intended to convert a completed proceeding into an open-ended additional inquiry on an unrelated project.

Second, MP noted that existing statute, rules, and orders will provide ratepayers protections regarding this project. MP stated that this project is an early-stage project that would require many permits and approvals before materializing. MP frequently receives inquiries related to early-stage projects, many of which never come to fruition or take very different forms from the early proposals when built. If the project reaches a point of development where MP is entering into agreements which require Commission approval, all stakeholders will have the opportunity to review the record at that time. The Company recognized that the Commission has authority to approve, modify, or reject tariffs and electric service agreements and to ensure that other customers are protected from stranded costs and other risks. The company also cited that it has discussed the possibility of data center projects in its Annual Forecast (Docket E-999/PR-24-11), Integrated Resource Plan (Docket No. E-015/RP-25-127) and in the Commission’s Planning Meeting on October 29, 2024.

MP also, noted that CURE’s argument that additional safeguards are needed related to the Partners has already been addressed in the Settlement Stipulation and Order itself, and that MP has, as part of that stipulation, agreed to follow Commission Orders and laws regarding this and other affiliate issues. The current Commission processes provide oversight for reviewing projects like this one, so reopening the record here is not needed.

Thirdly, CURE’s petition does not provide meaningful new information or raise a new issue regarding whether the Acquisition is in the public interest. MP noted that data centers were discussed during the Commission Hearing on this issue<sup>5</sup> and that news reports had already identified this project before or around the time of the Hearing.<sup>6</sup> MP argued that CURE’s petition conflated preliminary outreach and discussion with specific commitments and plans for a project certain to be completed.

MP stated that it routinely engages with prospective customers, governments, and partners regarding preliminary planning of projects which might produce additional load. Its role is to assess whether and how electric service might be provided to those projects, as part of the preliminary planning process. These initial discussions frequently do not lead to completed projects, and when they do it is often years after the original discussions, with substantive

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<sup>5</sup> Commission Agenda Meeting Transcript for October 3, 2025, 38:1 to 39:8.

<sup>6</sup> Citing news articles in Northern News Now on October 6, 2025 and KAXE on September 23, 2025.

changes to the original plans – in some case taking the project out of MP’s service territory. Even for projects which never come to fruition, MP has an obligation to communicate with potential customers and coordinate and provide information to local officials. MP has always brought electric service agreements to the Commission for approval where appropriate under Minnesota Law and will continue to do so.

MP argued that the Order approving the Acquisition was sound, reasonable, based on the record, and supported by substantial evidence, and consistent with Commission practice and state law. As such, MP and the Partners requested that the Commission deny CURE’s petition.

#### **B. LIUNA Minnesota and North Dakota**

LIUNA argued three points in opposition to the Petition by CURE. First, recent state legislation addresses the approval process and relevant consideration for data center loads, and apply regardless of ownership. Second, the Commission considered potential for large load additions, including Mesabi Metallica, and well understood and discussed this issue as part of the proceeding to the limited degree it was relevant to the decision. Finally, MP has no control over the data center project in Hermantown, other than potentially adjusting its load forecasts. For these reasons, LIUNA argued that the question raised by CURE’s petition lacks relevance, has been considered, and does not justify reconsideration.

#### **IV. Staff Analysis**

Staff agrees with CURE that this issue is an important one that will have long-term implications for MP’s financial health and rates paid by customers. Staff does not, however, agree that this docket is the place to consider or address this issue. Staff notes that the Commission already has a docket addressing Data Centers in the Xcel Service territory (Docket E-002/M-25-289 – In the Matter of Northern States Power Co.’s, dba Xcel Energy’s, Petition for Approval of Large General Time of Day Service Customers and Large Peak Controlled Time of Day Service Tariffs) and can, when the need arises, do the same for Minnesota Power. Minnesota Power has a currently outstanding Integrated Resource Planning process where planning for potential future load is a factor (Docket E-015/RP-25-127).

Staff accepts MP’s statements that the data center in Hermantown is at an early stage of development and is not a ‘specific plan’ in the context of Mr. Taran’s statement, and so there was no misrepresentation there.

No party has requested reconsideration of any specific finding of fact, conclusion of law, or ordering paragraph of the December 10<sup>th</sup> Order. Additionally, no party raised new issues, provided new evidence, or exposed any errors in the Commission’s Order. Therefore Staff does not believe there is need for the Commission to reconsider its Order.

## DECISION OPTIONS

1. Grant CURE's petition for reconsideration of the December 10, 2025 Order. (CURE)
  - A. Require Minnesota Power to file testimony regarding the issues described in Decision Option 2.
  - B. Require Minnesota Power to file comments regarding the issues described in Decision Option 2.
2. Minnesota Power shall address the following issues in its filing: (CURE)
  - A. The Data Center project in Hermantown described as "Project Loon" in early documents and any knowledge it has of ownership in that project.
  - B. Protection of current or future customers from affiliate interest conflicts related to BlackRock's ultimate ownership of Minnesota Power via GIP and ALLETE, given BlackRock's own interests in Data Center projects, either in Minnesota or in general.
  - C. Minnesota Power's plans for data center integration in the Minnesota Power system.
3. Deny CURE's petition for reconsideration of the December 10, 2025 Order. (MP, LIUNA)
4. Grant a rehearing on the issues raised in the reconsideration petition and schedule the matter for a future Commission Meeting. Delegate authority to the Executive Secretary to issue a notice and set timelines for comments.