

**STATE OF MINNESOTA
PUBLIC UTILITIES COMMISSION**

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August 4, 2025

**In the Matter of 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. E015/PA-24-198

COMMENTS OF FRESH ENERGY AND CLEAN GRID ALLIANCE

Fresh Energy and Clean Grid Alliance (“CGA”) submit these comments in response to the Commission’s July 18, 2025 *Notice of Comment Period on the Proposed Settlement* which seeks comments from the public and interested stakeholders on the proposed settlement between the Department of Commerce (the “Department”), ALLETE, Canada Pension Plan Investment Board, and Global Infrastructure Partners of Minnesota Power’s petition for the acquisition of ALLETE d/b/a Minnesota Power (“MP”) by the Canada Pension Plan Investment Board and Global Infrastructure Partners. We support adoption of the Proposed Settlement (the “Settlement”) because we believe its approval is the outcome with the most clean energy benefit and assurances towards achieving Minnesota’s greenhouse gas reduction goals.

The record developed through the contested case process makes clear that Minnesota Power’s resource and grid infrastructure plans require a substantial amount of investment.¹ Minnesota Power’s projected equity need for infrastructure projects over the next five years is at the same level as the utility has raised over the last 75 years.² Moreso, when comparing Minnesota Power’s

¹ *Surrebuttal Testimony of Craig M. Addonizio*, Department of Commerce at 23.6-23.11; *Minnesota Power’s Initial Brief*, Minnesota Power (hereinafter “MP Initial Brief”) at 13-14.

² MP Initial Brief at 14.

capital needs over the near-term versus the utility's overall size, Minnesota Power ranks at the top, or in the top handful of utilities in the country as the most extreme differential.³

The resources and infrastructure Minnesota Power plans to build include hundreds of megawatts of wind, solar, and storage approved in its most recent Integrated Resource Plan, as well as regional transmission lines approved through the MISO transmission planning process and, ultimately, the Commission.⁴ Fresh Energy and CGA were very engaged advocating for both of these outcomes and the subsequent projects. We understand that the precise amount of Minnesota Power's capital needs cannot be known until all specific, individual projects are finalized and approved. However, based on the amount of new clean energy generation and transmission infrastructure already approved by the Commission and MISO, disputes over the precise amount do not change the overall magnitude of needed investment in our view. Looking past the next five years, Minnesota Power's approved resource plan includes ending coal generation on its system in 2030 for Boswell Unit 3 and 2035 for Boswell Unit 4.⁵ Replacing Minnesota Power's coal generation and other aging infrastructure on its system will require continued, substantial investment in, and beyond, the next five years. And certainly, replacing Minnesota Power's coal with clean energy is the basis for its ability to meet Minnesota's 100% clean electricity standard and economy-wide greenhouse gas reduction goals.⁶ Fresh Energy and CGA are also intervenors in MP's current Resource Plan proceeding and see a clear sightline to a continued need for substantial clean energy infrastructure investment specifically for the aforementioned reasons and especially considering federal changes to incentives, regulations, and trade policy.

For these reasons, Minnesota Power having the capital needed to make new infrastructure investments is inextricably linked to its ability to continue to decarbonize its system, phase out coal, modernize the state's and region's transmission system, and ultimately meet the 100% standard. This infrastructure capital need and the private buyers' ability and incentive to provide it is the main purpose of the transaction.⁷ To make that reason even more certain, the Settlement reached

³ *Rebuttal Testimony and Schedules John D. Quackenbush, Access to Capital*, Minnesota Power at 6.13-8.19, Schedule 2.

⁴ *See e.g.* MP Initial Brief at 3.

⁵ *Order Approving Plan and Setting Additional Requirements*, In the Matter of Minnesota Power's 2021-2035 Integrated Resource Plan, Docket No. 21-33, January 9, 2023 at Order Point 2 at 13.

⁶ Minn. Stat. 216B.1691, Subd. 2g; Minn. Stat. 216H.02.

⁷ *See e.g.* MP Initial Brief at 17-20.

by the Department includes a direct and specific capital commitment from the buyers to fund Minnesota Power's five-year plan.⁸

When weighing the relative risks of securing capital for Minnesota Power's projects as a public company in light of its relatively extreme capital needs versus company size as well as its unique customer profile with a majority large industrial customers⁹, it is also important to consider the changing dynamics since the acquisition was announced over a year ago. These changes include, but are not limited to, a large-scale repeal of clean energy tax credits, the elimination of nearly all federal clean energy financial support, tariffs, and, importantly, two major mining customers idling their mines indefinitely.¹⁰ We believe that there is significantly less risk to achieving Minnesota Power's Commission-approved decarbonization plans, as well setting a path to realizing the 100% standard, through approving the Settlement versus the alternative.

In addition, we are very supportive of the Settlement's inclusion of \$50 million of direct funding for carbon-free "firm" technologies.¹¹ This funding directly from shareholders (and not recoverable from ratepayers) is targeted at new or emerging technologies that must be developed and deployed by utilities to fully decarbonize our electricity system. This funding is particularly important in the face of the federal pullback of support for new technologies through loan guarantees and direct grants.

Fresh Energy and CGA also support the Settlement's inclusion of affordability terms. First, the Settlement includes a provision ensuring that, if the transaction is approved, MP will not reduce the budget for MP's customer affordability program or change the eligibility criteria.¹² Second, it includes that the buyers will fund a reduction in MP customer arrears to pre-COVID balances or lower and that this effort will be in collaboration with the Energy CENTS Coalition to maximize the funding to benefit low-income customers, not just customers meeting formal definitions of "income-qualified".¹³

⁸ *Settlement Stipulation*, July 11, 2025 (hereinafter "Settlement") at 1.3-1.8.

⁹ MP Initial Brief at 2.

¹⁰ *More than 600 Iron Range Steelworkers Out of Work as Auto Industry Cuts Orders Because of Tariffs*, The Minnesota Star Tribune, March 20, 2025 available at: <https://www.startribune.com/iron-range-layoffs-cleveland-cliffs-taconite-steelworkers/601240194>

¹¹ Settlement at 1.63.

¹² Settlement at 1.47.

¹³ Settlement at 1.48, 1.49.

For these reasons, we support adoption of the Settlement approving the transaction as in the public interest.

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