



ALLETE Reiterates Confidence that Proposed Partnership with CPP Investments and GIP is Consistent with the Public Interest

July 15, 2025

Responds to ALJ Recommendation

DULUTH, Minn. – ALLETE, Inc. (NYSE: ALE) (the Company) issued the following statement in response to the non-binding Administrative Law Judge (ALJ) recommendation released on July 15, 2025, regarding the Company's proposed partnership with Canada Pension Plan Investment Board (CPP Investments) and Global Infrastructure Partners (GIP):

"We strongly disagree with the conclusions in this non-binding recommendation. The ALJ report mischaracterizes the parties, their agreements and plans, and the benefits and risks of the acquisition. It inadequately reflects ALLETE's recent comprehensive settlement agreement with the Minnesota Department of Commerce, which would deliver immediate and significant customer benefits upon close. The record, including the settlement agreement, supports approval of the transaction. The Minnesota Public Utilities Commission will make a final determination on the acquisition in the coming months."

On July 11, the Minnesota Department of Commerce stated that it believes the transaction between GIP, CPP Investments and ALLETE is consistent with the public interest and recommended that the Minnesota Public Utilities Commission (MPUC) approve the acquisition.

The Department of Commerce recommendation is the result of a settlement agreement between the Department of Commerce, GIP, CPP Investments and ALLETE, and is contingent on MPUC approval and completion of the transaction. It includes expanded Minnesota Power stakeholder commitments across several key areas of focus including:

- **Immediate cost savings for customers:** As part of this agreement, Minnesota Power has committed to a one-year customer base rate freeze, ensuring rate stability for customers during a period of economic uncertainty, and agreed to reduce its Return on Equity from 9.78% to 9.65% post close until a future rate case, which will directly translate to lower costs passed through to customers.
- **Maintaining strong customer service levels:** ALLETE, CPP Investments and GIP have agreed to enforceable service quality and system reliability performance metrics for Minnesota Power to guarantee customers continue to receive the same high levels of reliability and quality they expect.
- **Guaranteed access to capital to fund the clean energy transition:** CPP Investments and GIP have agreed to the funding of the Company's 5-year capital plan, ensuring ALLETE will have access to the capital necessary to support the work underway to advance its transmission and renewable energy goals.
- **Clean firm technology funding:** The settlement also establishes an investor-funded \$50 million Clean Firm Technology Fund to advance important local projects and partnerships critical to a reliable and sustainable energy transition.
- **Transparency and governance:** ALLETE and its partners have agreed to establish a holding company structure for the go-forward company's regulated assets, which will further ensure Minnesota Power's customers are protected from risks associated with non-utility business activities. The partners have also agreed that six directors of the 14-member Board of Directors will be independent with several from Minnesota and Wisconsin, ensuring regional voices have a greater influence in utility decision-making.

This agreement also expands upon the stakeholder commitments previously announced by ALLETE, CPP Investments and GIP, which include:

- Retaining ALLETE's workforce and maintaining current compensation levels and benefits programs;
- Honoring existing union contracts and, further, extending ALLETE's collective bargaining agreement with the International Brotherhood of Electrical Workers (IBEW) Local 31 by two years;
- Maintaining headquarters in Duluth, Minnesota, with Bethany Owen continuing as CEO and the current management team remaining in place;
- Contributing to local communities in ALLETE service territories, including through an up to a \$3.5 million CPP Investments and GIP funded residential customer arrearage forgiveness program designed to support eligible low-income customers.

Following the transaction close and as previously stated, Minnesota Power will remain locally managed and operated in Duluth and will continue to be regulated by the MPUC, ensuring local oversight and control of rates and energy planning. Costs related to the transaction will not impact retail or municipal rates for utility customers.

The Company has received strong local support for the transaction from business, labor and community leaders, including the Minnesota Chamber of Commerce, the International Brotherhood of Electrical Workers (IBEW) Local 31, the Laborers' International Union of Minnesota & North Dakota, the International Union of Operating Engineers Local 49, Duluth and Hermantown Chambers, Energy CENTS Coalition and Head of the Lakes United Way.

ALLETE and its partners will file formal comments with the MPUC in response to the ALJ report in the coming days.

ALLETE continues to expect the proposed transaction to close in 2025 and is subject to approval by the MPUC and other customary closing conditions. The settlement agreement has been submitted to the MPUC for consideration as part of its overall review of the acquisition. The transaction has achieved all other required approvals, including from ALLETE shareholders, the Federal Energy Regulatory Commission and the Public Service Commission of Wisconsin.

About Minnesota Power

Minnesota Power provides electric service within a 26,000-square-mile area in northeastern Minnesota, supporting comfort, security and quality of life for 150,000 customers, 14 municipalities and some of the largest industrial customers in the United States. More information can be found at www.mnpower.com.

About ALLETE, Inc.

ALLETE, Inc. is an energy company headquartered in Duluth, Minnesota. In addition to its electric utilities, Minnesota Power and Superior Water, Light and Power of Wisconsin, ALLETE owns ALLETE Clean Energy, based in Duluth, Minnesota; BNI Energy in Bismarck, North Dakota; and New Energy Equity, headquartered in Annapolis, Maryland; and has an 8% equity interest in the American Transmission Co. More information about ALLETE is available at www.allete.com.

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ALLETE calculates and reports carbon emissions based on the GHG Protocol. Details are in ALLETE's Corporate Sustainability Report.

The statements contained in this release and statements that ALLETE may make orally in connection with this release that are not historical facts, are forward-looking statements. Actual results may differ materially from those projected in the forward-looking statements. These forward-looking statements involve risks and uncertainties and investors are directed to the risks discussed in documents filed by ALLETE with the Securities and Exchange Commission.

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