



INVESTOR

A newsletter for the shareholders of ALLETE, inc.

DEC. 1, 2024

Minnesota Power plans two large solar projects in northern Minnesota

Minnesota Power announced Sept. 23 that it plans to build two large solar projects in northern Minnesota as part of its continued EnergyForward strategy and transition toward a cleaner energy future while prioritizing regional renewable energy investments.

The Regal Solar project near Royalton, Minnesota, and the Boswell Solar project in Cohasset, Minnesota, were chosen in an open process from competitive bids in Minnesota Power's 2023 solar request for proposals. The process included an independent evaluator who monitored it and concurred with the selections as being the most cost-competitive for Minnesota Power customers.

The Boswell Solar project will have a capacity of 85 megawatts from about 180,000 bifacial solar modules on about 600 acres, part of it owned by Minnesota Power.



It will utilize existing electric infrastructure at the Boswell Energy Center, requiring only a collector substation and a short transmission line to tie into the grid. The project is expected to be online in mid-2027.

The Regal Solar project will have a capacity of 119.5 megawatts from about 255,000 bifacial solar modules on about 800 acres. The renewable project will tie to

the regional electric grid through a new 3.5-mile collector line and substation and is expected to be online in mid-2027.

The two projects are part of Minnesota Power's actions to meet the up-to-300 megawatts of regional solar generation called for in Minnesota Power's Integrated Resource Plan approved by the Minnesota Public Utilities Commission (MPUC) in 2023.

"These two projects exemplify ALLETE's sustainability-in-action strategy by creating local jobs and local renewable energy, and the Boswell Solar project will support one of our existing host communities as we continue to plan for the future," said ALLETE Vice President and Minnesota Power Chief Operating Officer Josh Skelton. "These projects will help move us toward our goal of providing more than 80% renewable energy by 2030 while working toward meeting the state of Minnesota law calling for carbon-free energy supplies by 2040. Both projects include preferences for local labor, diverse suppliers, and apprenticeships to train tomorrow's renewable energy workforce."

Construction of the two projects is contingent on MPUC and other regulatory approvals.

Federal, state officials highlight Minnesota Power's key grid investment

A significant investment in an innovative transmission project is one example of Minnesota Power's commitment to maintaining a strong, reliable grid as the demand for energy grows, more renewable energy comes online and the nation makes strides toward a clean-energy future.

Federal and state partners and energy leaders

gathered at the company's Arrowhead Substation in Hermantown on Oct. 9 to recognize Minnesota Power's plans to modernize, upgrade and expand its high-voltage direct-current transmission system, applaud \$75 million in federal and state funding, and acknowledge key regulatory approvals now in hand. Among those at

the event were U.S. Sen. Tina Smith; U.S. Department of Energy Under Secretary for Infrastructure David Crane; state Sen. Grant Hauschild; Katie Sieben, chair of the Minnesota Public Utilities Commission; Pete Wycoff, deputy commissioner of energy resources at the Minnesota Department of Commerce; Bethany Owen,

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Dear fellow shareholders,

As we approach a new year, we're reflecting on an eventful and important 2024 for ALLETE and our companies.

The biggest news of the year is the exciting plans for the acquisition of ALLETE by a partnership

led by Canada Pension Plan Investment Board and Global Infrastructure Partners. We continue to expect the transaction to close in the mid-2025 timeframe, pending required regulatory approvals.

Outside of the planned acquisition, our teams have been working hard to execute our sustainability-in-action strategy. We're welcoming talented new team members throughout our

organization, planning and designing renewable energy and transmission projects, seeking government funding opportunities wherever possible to lower costs for our customers, and continuing our support for organizations and initiatives that promote thriving communities.

As you can see by the stories in this newsletter, we're making progress on our carbon-free energy goals. Other projects we are working on include the North Plains Connector transmission project, Minnesota Power's Northland Reliability transmission project, and Minnesota Power's request for proposals for up to 400 megawatts of additional wind energy.

As we advance a clean-energy future, we're also doing all we can to include opportunities for everyone to thrive in that future. We're working to locate projects in communities that might be affected by the retirement or re-missioning of a fossil fuel plant. We're also engaging diverse

suppliers and creating apprentice programs to train the clean-energy workforce of tomorrow.

ALLETE's quarterly dividends for shareholders will continue until the planned acquisition closes. Along with dividend payments, we will continue our investor communications until the close and plan to hold our annual meeting virtually again in 2025.

At ALLETE, we're embracing the season of giving, with our "Feed Our Communities" fundraiser for food shelves across the nation. All of us at ALLETE thank you for your investment and send best wishes for a safe and happy holiday season.

Bethany M. Owen
Chair, President and CEO

Minnesota Power key grid investment



From left: **Pete Wycoff, David Crane, Bethany Owen, Tina Smith, Josh Skelton, Grant Hauschild, and Katie Sieben.**

ALLETE chair and CEO; and Josh Skelton, Minnesota Power chief operating officer.

“Expanding and strengthening the electric grid are critical as demand for energy increases and more renewable resources are added to the nation’s energy mix,” Owen said. “Investing in Minnesota Power’s strategically located HVDC transmission system supports federal and state energy policy goals, prepares the regional grid for the efficient delivery of more energy from where it’s generated to where it’s needed, and moves us closer to the sustainable clean-energy future where every community can thrive. Achieving that goal will take all of us working together, and this project is an outstanding example of that.”

Crane said Minnesota Power’s HVDC project is among more than 45 energy projects in Minnesota selected for federal funding.

“Communities across Minnesota deserve to have a power grid that provides clean, reliable and affordable power,” Crane said. “Thanks to the Biden-Harris Administration’s Investing in America agenda, 47 energy projects have been selected in Minnesota to receive a potential \$2.1 billion in federal investment from the Department of Energy. Funded by the Bipartisan Infrastructure Law and Inflation Reduction Act, these projects include \$50 million in support of ALLETE and Minnesota Power’s efforts to increase capacity to prepare the state’s grid for future expansion and greater clean, affordable energy.”

Minnesota Power will replace aging converter facilities at the Arrowhead Substation with new buildings near the existing terminal and new electrical infrastructure with state-of-the-art technology. Similar upgrades are planned for the converter facilities at the Square Butte East Substation in North Dakota. An associated Terminal Expansion Capability Project includes additional state-of-the-art technology to further prepare the HVDC system for an expanded capacity of up to 1,500 megawatts, improve system reliability, and enhance grid support and operational flexibility.

The 465-mile HVDC transmission line delivers wind energy from North Dakota to Minnesota and is one of a few HVDC lines in the nation. HVDC lines transmit electricity more efficiently over long distances than alternating current (AC) lines and more strongly link together disparate parts of the electric grid. Specialized stations convert the HVDC power to AC so it can flow onto the existing grid.

ALLETE Clean Energy announces sale of Wisconsin wind site



ALLETE Clean Energy on Oct. 29 announced the company has sold the Whitetail wind project in southwestern Wisconsin to Invenery, with the intent that it be constructed and subsequently sold to WEC Energy Group utilities We Energies and Wisconsin Public Service Corp. (WPS) as well as Madison Gas and Electric Co. (MGE).

ALLETE Clean Energy acquired the Whitetail wind project in 2021 and developed it for sale to help companies advance their carbon-reduction goals. The approximately 70-megawatt Whitetail project will consist of up to 21 turbines on about 5,938 acres in Clifton and Wingville townships in Grant County. It will produce enough energy to power tens of thousands of homes.

“ALLETE Clean Energy developed the Whitetail wind site for sale to deliver cost-effective clean energy to customers and to create a more sustainable Midwest energy grid,” said Nicole Johnson, ALLETE Clean Energy president and ALLETE vice president. “We drive the carbon-free energy transition and our company’s growth by creating the right solutions for our customers.”

Midwest-based Invenery will complete development and construction of the Whitetail wind project, as well as provide operations and maintenance services for the life of the project.

In 2023, ALLETE Clean Energy sold the adjacent Red Barn wind project to WPS and MGE.

Shareholders encouraged to request cost basis information prior to ALLETE transition

If you are a shareholder that has owned ALLETE stock prior to 2011, you may need to request cost basis information from ALLETE Shareholder Services.

In 2011, the IRS changed cost basis reporting rules to require transfer agents and brokers to provide shareholders with actual cost basis information. The requirements were designed to help capture accurate reporting of shareholders’ gains and losses at tax time. However, the IRS rule only applies to shares purchased through direct stock purchase plans after Jan. 1, 2011. These shares are referred to as “covered” shares. When you sell “covered” shares, your cost basis information



will be reported on the Form 1099-B that you automatically receive at the end of a year after the sale of shares.

Shares purchased pre-2011 are referred to as “uncovered” shares. To calculate the cost basis for

uncovered shares, you will need to refer to your year-end statements. With ALLETE’s upcoming transition to a privately held company, ALLETE’s shareholders will be paid out for their shares, creating a taxable event.

We want you ready to be able to calculate your tax cost basis when the time comes. If you hold shares that were purchased prior to January 2011, please reach out to ALLETE Shareholder Services at (218) 355-3114, option 2, to request your cost basis information. Any other questions also can be directed to ALLETE Shareholder Services at the same number.

The statements contained in this newsletter and statements that ALLETE may make orally in connection with this newsletter 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.