



INVESTOR

A newsletter for the shareholders of ALLETE, inc.

SEPT 1, 2024

ALLETE shareholders approve proposed transaction with Canada Pension Plan Investment Board and Global Infrastructure Partners

ALLETE announced Aug. 21 that shareholders voted to approve the company's proposed transaction with Canada Pension Plan Investment Board (CPP Investments) and Global Infrastructure Partners (GIP) at a virtual special meeting of shareholders.

As previously announced, under the terms of the merger agreement, CPP Investments and GIP will acquire all outstanding common shares of ALLETE for \$67 per share in cash, or \$6.2 billion, without interest.

"We thank our shareholders for this strong demonstration of support for our transaction with CPP Investments and GIP, and for their investment in ALLETE over the past decades," said



The ALLETE team for the special meeting of shareholders included Nicole Johnson, (from left), Amy Rutledge, Laura Krollman, Julie Padilla, Bethany Owen, Steve Morris, Jeff Scissons, Dave Ojala, Rachel Cincoski, Kyler Pittman, Bryceton Butkiewicz and Josh McGraw.

ALLETE Chair, President, and CEO Bethany Owen. "Having reached this important milestone, we are now one step closer to realizing the meaningful benefits we see ahead for all ALLETE stakeholders as the result of this partnership. We will continue to work closely with our partners to complete this

transaction and enter our next chapter of growth for ALLETE, while continuing our excellent customer service, commitments to our communities, and opportunities for our employees." Based on the preliminary vote count from the special shareholder meeting, approximately 97% of

votes cast were in favor of the proposed transaction, representing approximately 74% of all outstanding shares. The final voting results will be reported in a Form 8-K filed with the U.S. Securities and Exchange Commission.

Approval by ALLETE shareholders was a condition to the closing of the transaction, which remains subject to certain regulatory approvals, including by the Minnesota Public Utilities Commission, the Public Service Commission of Wisconsin, and the Federal Energy Regulatory Commission, and other customary closing conditions. ALLETE expects to complete the transaction in mid-2025.

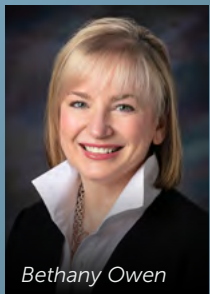
North Plains Connector transmission project receives \$700 million federal grant

ALLETE, a co-developer of the North Plains Connector transmission project, applauds the U.S. Department of Energy for its support of the Montana Department of Commerce Grid Resilience and Innovation Partnership application and for the planned approximately

415-mile, high-voltage direct-current (HVDC) transmission line from central North Dakota to Colstrip, Montana, through a \$700 million grant.

The North Plains Connector, a joint project between ALLETE and North Plains

Connector LLC, a subsidiary of Grid United LLC, will be the nation's first HVDC transmission connection between three regional U.S. electric energy markets—the Midcontinent Independent System Operator, the Western Electricity *continued on back*



Dear fellow shareholders,

As you know, shareholders recently voted to approve the agreement under which a partnership led by Canada Pension Plan Investment Board (CPP Investments) and Global Infrastructure Partners (GIP) will acquire ALLETE.

ALLETE has been a publicly traded company since 1950, and on behalf of the board of directors and our ALLETE team, I sincerely thank you for your investment in and support of ALLETE over these decades. You have played a significant role in ALLETE becoming a clean-energy leader and trusted energy partner for so many across the nation, and we appreciate your faith in the company.

ALLETE chose to embark down this path from a position of strength. And while we have the luxury of that choice, we also recognize that we are a

relatively small company doing big and important things across the country. To achieve all of our goals and invest in the projects that will make the biggest impact across our family of businesses, we need ready access to capital.

By partnering with CPP and GIP, we will have that access, which will allow us to execute our ambitious Sustainability-in-Action strategy. This includes significant additions of renewable energy and investments in carbon reduction as well as transmission that will enhance resilience and reliability throughout our regions.

Importantly, our partners recognize and appreciate that how we do business has been and will continue to be the key to ALLETE's success – working collaboratively with our many diverse stakeholders and with integrity always as our foundation. And they have made firm commitments to our employees and our community to ensure our teams will continue to innovate and deliver for our customers, just as we always have.

For example, ALLETE will continue to be headquartered right here in Duluth, Minnesota,

and our current management team will continue to lead ALLETE. The agreement also includes commitments with respect to workforce retention and ALLETE's continued economic and charitable contributions to support communities in our regions.

Minnesota Power and Superior, Water, Light & Power will continue to be regulated by their respective state commissions and agencies and will continue to provide safe, reliable and competitively priced services. Our focus on serving our customers with excellence won't change under new ownership.

As we prepare for ALLETE's next chapter, we could not be more excited to be moving forward with supportive, experienced, long-term partners who are aligned with our values and our mission. Thank you again for your support and your investment in ALLETE.

Bethany M. Owen
Chair, President and CEO

Minnesota Power tries sheep to 'mow' at solar site

A flock of 101 Katahdin sheep from Minnesota Native Landscapes (MNL) arrived at Minnesota Power's Jean Duluth Solar on July 10 and began chewing their way across the 8.5-acre site on Riley Road in Duluth as Minnesota Power explored an alternative to traditional mowing at its solar facilities.

Carrie Ryan, enterprise project manager, said MP has tossed around the idea of using sheep to manage the vegetation since the Jean Duluth, Laskin and Sylvan solar sites were constructed. Now, with some experience behind them, she and Dan Jones, Generation Operations superintendent, agreed it was time to seriously pursue the idea known as solar grazing. It's a variation of agrivoltaics—the use of land for both solar energy generation and agriculture, and a growing trend.



It didn't take long for the sheep from MNL to get to work as Minnesota Power tests this four-legged alternative to traditional mowing.

"Mowing and snow plowing costs are our two largest annual O&M costs for these sites," Ryan said. "Solar grazing is a great example of our Sustainability-in-Action strategy. By solar grazing instead of mowing, maintenance costs, and associated fuel and emissions, are reduced, sheep have land to graze on, and it is better for

the pollinator plants. Grazing eliminates thatch (cut grass), creating a healthier environment for the pollinator plants to thrive and reducing fire hazards on the site. It is a benefit all around for the site, our customers, the farmers, and the environment."

Katahdin hair sheep top out at about 150 pounds, fit easily under solar panels and don't damage the panels or other electrical equipment. Solar grazing also is a more sustainable way to feed sheep like Katahdin, which are raised for food and not wool.

The flock feasted on the mix of native pollinator plants for about three weeks, and the sheep's grazing is expected to ease competition from clover, timothy, brome grass, and reed canary grass and give the pollinator plants room to thrive by setting back the growth of perennial weeds.

North Plains Connector

Coordinating Council and the Southwest Power Pool. The line will create 3,000 megawatts of transfer capacity across all three energy markets to ease congestion on the transmission system and increase resiliency and reliability through instantaneous, two-way delivery of energy.



The \$700 million DOE grant is part of the [Grid Resilience and Innovation Partnerships](#) (GRIP) Program to enhance grid flexibility and improve the resilience of the power system against growing threats of extreme weather and climate change. The program is intended to accelerate transformative projects that will help to ensure the reliability of the power sector's infrastructure and reduce costs for utility customers.

The DOE announced recipients of a second round of GRIP grants on Aug. 6. The Montana Department of Commerce applied for the grant on behalf of the North Plains Connector Interregional Innovation Consortium, which includes utilities ALLETE, Avista, Minnkota Power Cooperative, Montana-Dakota Utilities, NorthWestern Energy, Otter Tail Power Co., Portland General Electric and Puget Sound Energy. The consortium also includes North Dakota Transmission Authority and the Standing Rock Sioux Tribe, the latter of which is a co-applicant with the Montana Department of Commerce.

"This grant certainly reinforces the importance of expanding and strengthening our nation's grid—this innovative project will enhance energy reliability and resilience across a large part of the nation," said ALLETE Chair, President and CEO Bethany Owen. "We are excited to be part of this historic investment in critical infrastructure as we continue to advance our Sustainability-in-Action strategy. We are always stronger when we work together, as shown by this program that unites government, utilities and private industry to benefit the broader region."

The HVDC transmission project represents an approximately \$3.2 billion total investment in Montana and North Dakota and is expected to create over 600 jobs during construction. ALLETE expects to pursue up to 35% ownership share in the project.

Minnesota Power receives key regulatory approvals for HVDC transmission upgrade

The Minnesota Public Utilities Commission on Aug. 1 approved the Certificate of Need and Route Permit for Minnesota Power's HVDC transmission project to enhance reliability, resiliency, and prepare for the continued clean energy future.

Minnesota Power plans to replace aging critical infrastructure and modernize the terminal stations of its 465-mile HVDC (high-voltage, direct-current) transmission line that runs from Center, North Dakota, to Hermantown, Minnesota.

"Grid reliability and resiliency are critical as we continue to add more carbon-free energy to our energy supply and we experience more extreme weather," said Josh Skelton, Minnesota Power Chief Operating Officer. "This investment to strengthen transmission and replace aging infrastructure is another integral step in our EnergyForward strategy for a carbon-free future. The HVDC upgrade makes smart use of existing assets in a cost-effective way to support the safe and reliability delivery of essential energy in the Upper Midwest. We appreciate the commissioners' recognition of the importance of this project."

In Minnesota, aging converter facilities at the Arrowhead Substation in Hermantown will be replaced with new buildings near the existing terminal and electrical infrastructure featuring state-of-the-art technology. The project also includes construction of two transmission lines of less than a mile each on the site to connect the new converter station to the existing electric system. Similar upgrades are planned for the converter facilities at the Square Butte East Substation in Center.

The project is estimated to cost up to \$940 million. Construction could begin this year with the upgrades in service between 2028 and 2030.

The MPUC approvals follow the October 2023 announcement of a \$50 million grant from the U.S. Department of Energy to Minnesota Power for its HVDC Terminal Expansion Capability Project. The DOE funding combined with the use of existing infrastructure will help mitigate rate impacts on customers as the company modernizes and supports the long-term needs of the grid. The company also secured \$15 million in state funding as part of the energy and climate budget bill passed by the Minnesota Legislature in May 2023 and \$10 million from the state competitiveness fund to support the cost-share requirements of the DOE grant funding.

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.