State’s largest wind turbine to be installed for Minnesota Power ‘C-BED’ project

DULUTH, Minn.—Minnesota Power, an ALLETE company (NYSE: ALE), announced today it has agreed to the 20-year purchase of all of the energy and capacity from two Community Based Energy Development (C-BED) wind generation facilities proposed to be built in Todd and Otter Tail counties in west-central Minnesota. The projects will utilize 2.5 megawatt (MW) turbines—the largest ever erected in Minnesota.

The turbines are manufactured by Nordex, a German-based company with nearly 3,000 wind turbines in service worldwide and more than 20 years of experience in the wind energy industry. Each of its N90 turbines will spin atop a 260-foot-tall tower and feature a 295-foot wingspan.

The site of the proposed facilities is within Minnesota Power’s electric service territory near Hewitt, Minn. Barnesville, Minn.-based Bear Creek Wind Partners, LLC will build, own and operate the turbines. Developers expect the initial Nordex turbine to be operational in June 2007. After implementation of this initial Nordex turbine, 12 additional turbines will be installed resulting in a wind development with a total installed capacity of 32.5 MW which is expected to operational by the end of 2008.

This initiative represents the first C-BED projects undertaken by Minnesota Power. Passed by the Minnesota Legislature in 2005, C-BED is a statewide directive intended to encourage investment in community wind energy projects.

“We are excited about finalizing our two initial C-BED projects,” said Eric Norberg, Minnesota Power senior vice president. “It’s been very satisfying to work with the developers to bring the first large wind facility to central Minnesota.”

Since 2005 Minnesota Power has contracted to purchase all the wind energy and associated capacity from approximately 130 megawatts of wind projects to serve its customers. Most recently, Minnesota Power issued a February 2007 Resource Request soliciting peaking and baseload proposals, as well as renewable (wind, biomass, hydro) proposals of 20 MW to 200 MW which are due May 1, 2007.

Minnesota Power provides electricity in a 26,000-square-mile electric service territory located in northeastern Minnesota. Minnesota Power supplies retail electric service to 141,000 customers, wholesale electric service to 16 municipalities, and some of the largest industrial customers in the United States. More information can be found at: www.mnpower.com.

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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