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NEWS

North Dakota praised as 'energy-rich and energy-friendly' at groundbreaking for new Minnesota Power wind facility

NEW SALEM, N.D. – Five and a half months after buying a dedicated transmission line to transmit renewable energy eastward, Minnesota Power, an ALLETE company (NYSE: ALE), is constructing its first wholly-owned wind farm in North Dakota.

A symbolic groundbreaking attended by Gov. John Hoeven, nearby landowners, regulators, government officials and contractors was moved from the construction site to the New Salem Auditorium due to high winds and heavy rain.

ALLETE President and CEO Alan R. Hodnik cited the advantages of building the 76-megawatt (MW) Bison Wind I project.

"The state of North Dakota is both an energy-rich and energy-friendly state," Hodnik said. "Right here is a perfect place to help the nation reduce its dependence on foreign energy supplies and expand homegrown, more sustainable sources." He thanked nearby residents and regulatory officials for the partnerships that led up to construction of Bison.

"For the many lease and option holders and government representatives who understood our vision and supported it becoming a reality, Minnesota Power and ALLETE are very grateful for helping make this day possible," Hodnik said.

Preliminary grading and road-building was started last fall, and construction began in earnest about a month ago on the first phase of Bison Wind I. A total of 33 Siemens 2.3 MW turbines will be erected on a footprint of farmland about 12 square miles in size. The first 16 wind generators should be installed and operational by December of 2010, with the second phase of 17 turbines scheduled for construction and deployment a year later. The project is estimated to cost approximately \$178 million.

Minnesota Power has done business in North Dakota since the 1970s, when the Duluth, Minn.-based electric utility partnered with the Minnkota Power Cooperative in an agreement to purchase power from the Young Generating Station in Center, N. D. A 465-mile direct current (DC) transmission line was built to send Young Station electricity eastward to Duluth, Minn. In 1988, Minnesota Power purchased BNI Coal, a lignite producer that sells fuel to the Young Station. BNI, based in Bismarck, remains a part of ALLETE, Inc.

Gov. Hoeven, Hodnik and North Dakota Public Service Commission Chairman Kevin Cramer posed with ceremonial shovels at today's event. The governor complimented ALLETE and Minnesota Power on its renewable energy strategy.

"Bison 1 is a milestone for Minnesota Power and a milestone for North Dakota," Hoeven said. "This new facility, combined with the company's new dedicated transmission line, is helping to make North Dakota not only a leading producer, but also a leading exporter of renewable wind energy."

The Governor and other speakers had been scheduled to address the audience at the construction site. But a tent could not be erected there this morning because of excessive wind. About 150 neighboring residents attended the event in the auditorium.

ALLETE purchased the DC Line linking Center, N.D. to Duluth, Minn. for \$70 million in a sale that closed Dec. 31, 2009. That purchase will allow the company to increase its use of renewable wind energy.

The Bison project and ownership of the DC line are key elements of an ALLETE strategy to increase the amount of renewable energy that can be produced and transported to population centers.

Several hundred megawatts of carbon-free wind power installations will be developed to satisfy a growing demand for renewable energy and meet Minnesota's "25 by 2025" renewable energy mandate. The high "capacity factor" wind at the Bison Wind I site will allow Minnesota Power to develop an economical renewable energy source for the company's ratepayers.

Minnesota Power provides retail electric service within a 26,000-square-mile area in northeastern Minnesota to 144,000 customers and wholesale electric service to 16 municipalities. 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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