NEWS RELEASE

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Minnesota Power Deploys Smart Wires to Optimize its Grid and Save Customers Money

Duluth, Minnesota, and San Francisco, California, September 27, 2016:

Minnesota Power and Smart Wires announced today their partnership to deploy an innovative solution for optimizing the flow of power on the grid. Smart Wires is a leading provider of power flow control technology for transmission systems.

This first deployment of Smart Wires at Minnesota Power is intended to be completed by the end of 2016 and will utilize Smart Wires PowerLine Guardian® technology. PowerLine Guardians are devices that are installed directly on existing power lines and essentially act as valves for electricity. They can be implemented to relieve heavily loaded power lines by pushing power onto other, underutilized lines in the grid. The devices can be controlled remotely by the grid operator or programmed to activate automatically, responding to real-time line conditions.

"With Smart Wires we are able to optimize the use of our existing infrastructure, enabling us to improve the overall utilization of our assets and to save our customers money by deferring the need for costly transmission upgrades. These innovative solutions fit seamlessly into our Energy Forward strategy to create a smarter, stronger, cleaner energy future while efficiently delivering the safe and reliable power our customers rely upon," said Al Hodnik, Chairman, CEO and President of ALLETE.

The installation at Minnesota Power represents the first stage of what is potentially a multi-stage deployment. The modular nature of Smart Wires is uniquely advantageous, providing Minnesota Power valuable flexibility in a time of increasing uncertainty around future network needs. As the grid evolves, the Smart Wires solution can be easily scaled to accommodate changing conditions on the network. The technology is also easily re-deployable and can be moved from one location to another to address emerging issues elsewhere on the grid.

"The Minnesota Power deployment represents a great opportunity for our team at Smart Wires to partner with an innovative leader in the utility industry," says Jim Davis, CEO of Smart Wires. "As Minnesota Power continues to transition to a clean and dynamic grid, our flexible and modular solutions are critical new additions to their toolkit for solving challenges."

By deploying Smart Wires, Minnesota Power joins a group of leading utilities leveraging these solutions to solve a host of unique challenges. Smart Wires' unique modular approach to grid infrastructure has several advantages over traditional power flow control solutions that typically require long-lead times, are highly

complex, demand significant capital investment, and ultimately represent single points of failure. Additionally, Smart Wires solutions are typically more cost effective than conventional system upgrades like reconductoring or building new lines. Utility crews can typically complete PowerLine Guardian installations in only a few days, dramatically reducing the amount of construction activities that can disturb the environment and customer communities.

“We believe this is a great first project for Minnesota Power,” says Smart Wires Chairman Tom Voss. “We are excited to work with this innovative industry leader and look forward to continuing our collaboration by creatively delivering high-value solutions as part of a cleaner, more modern and efficient grid for Minnesota Power and its customers.”

About Smart Wires
Smart Wires solutions are deployed at leading utilities such as PG&E, Southern Company, TVA and EirGrid. Our modular approach to grid infrastructure is unique and has several advantages over traditional power flow control solutions that typically require long-lead times, are highly complex, demand significant capital investment, and ultimately represent single points of failure. Smart Wires solutions can be deployed incrementally and reconfigured as needs evolve, thereby reducing investment risk, shortening lead times, and providing flexibility in an era of increasing operational uncertainty. Smart Wires is located in the San Francisco Bay Area with offices in the United States, the United Kingdom, Australia and Ireland. More information can be found at www.smartwires.com.

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 144,000 customers, 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.