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NEWS

Minnesota Power advances EnergyForward strategy through power purchase agreement with Tenaska for 250 megawatts of wind energy *Addition of renewable generation will provide environmental and economic benefits for customers, the company and southwestern Minnesota*

DULUTH, Minn. – Minnesota Power, a utility division of ALLETE Inc. (NYSE:ALE), today received unanimous approval from the Minnesota Public Utilities Commission for its 20-year power purchase agreement with Tenaska Inc. for 250 megawatts of wind-generated electricity.

The energy will be supplied by Tenaska's planned Nobles 2 wind farm in Nobles County on the Buffalo Ridge, an area of southwestern Minnesota known for its high-quality wind resource and already home to a number of operating wind farms. Finalization of the power purchase agreement is subject to a written order from the commission.

Minnesota Power's wind portfolio will grow to 870 megawatts of owned and contracted wind capacity when Nobles 2 comes online, expected in October 2020.

"The Nobles 2 agreement is a key component of Minnesota Power's EnergyForward strategy to transform the company's energy mix to 44 percent renewables by 2025," said Brad Oachs, ALLETE senior vice president and president of regulated operations. "Our customers will benefit from low-cost energy, our environment will benefit from lower carbon emissions and Minnesota will benefit from growth in the state's renewable energy industry and its associated tax revenue. Projects such as Nobles 2 create a sustainable future economically and environmentally for all of Minnesota Power's stakeholders."

The Minnesota Public Utilities Commission also approved the certificate of need and site permit for Nobles 2 at Thursday's meeting. Stakeholders have cited benefits such as providing Minnesota Power customers with cost-competitive renewable electricity and reducing the company's carbon dioxide emissions by 772,000 tons annually, or the equivalent of removing more than 167,000 cars from the road. The commission said the Nobles 2 agreement also would contribute further to compliance with the state's renewable energy standard. Tenaska expects to begin construction at the site in 2019.

The price for electricity from Nobles 2 reflects the project's qualification for 100 percent of federal renewable energy production tax credits. The site's location also adds geographic diversity to Minnesota Power's wind fleet, which is mostly in North Dakota. Minnesota Power owns and operates the 496.6-megawatt Bison Wind Energy Center and has power purchase agreements for 98.6 megawatts with the Oliver County I and II wind sites, all near Center, North Dakota. The company also owns and operates the 25-megawatt Taconite Ridge wind farm in Mt. Iron, Minnesota.



Minnesota Power provides electric service within a 26,000-square-mile area in northeastern Minnesota, supporting comfort, security and quality of life for 145,000 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.