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(NYSE: ALE) Plan to significantly reduce mercury emissions at Minnesota Power's largest generating station moves forward

Duluth, Minn. - Minnesota Power, a division of ALLETE Inc. (NYSE:ALE), today applauded a decision by the Minnesota Public Utilities Commission (MPUC) that allows the company's Boswell Energy Center Unit 4 environmental retrofit to move forward timely in the regulatory process. The project will reduce mercury emissions by 90 percent at the company's largest and newest coal-fired unit.

The Boswell 4 retrofit project, first announced in May 2012, will meet requirements in the EPA's Mercury Air Toxics Standards (MATS) Rule and the Minnesota Mercury Emission Reduction Act.

The Commission approved a motion that the installation of new environmental controls did not require an environmental assessment worksheet (EAW). During today's hearing the company cited the Minnesota Pollution Control Agency's thorough review and favorable recommendation of the project as provided for under state law governing the Boswell 4 project. The Minnesota Center for Environmental Advocacy petitioned for an EAW on Minnesota Power's Boswell 4 project in April. An EAW is an assessment routinely done for new projects to determine potential environmental impact. Boswell Unit 4 which is capable of producing 585 megawatts of electricity has been meeting the region's energy needs since the 1980's.

"We appreciate the Commission's decision which allows us to progress on this important project without an unjustified and costly delay," said Margaret Hodnik, VP of Legislative and Regulatory Affairs for Minnesota Power. "A retrofitted Boswell 4 is a critical part of our Energy Forward strategy to balance our resource portfolio and further improve environmental performance while meeting our customers' expectations for affordable and reliable energy."

Minnesota Power's long-term goal under its Energy Forward strategy is a generation mix that is one-third renewable, one-third natural gas and one-third coal-based. The Boswell 4 project, combined with \$355 million in other emission reduction investments the company has made since 2006, will result in system-wide emission reductions of 70 percent by 2016.

More than four hundred letters from residents, unions, businesses, industry and other groups supporting Minnesota Power's emissions reduction project were filed with the MPUC. The Iron Range Legislative Delegation cited the importance of the Boswell Energy Center as an economic driver of the region and said an EAW would only delay environmental benefits and drive up costs to Minnesota Power's customers.

"Minnesota Power deeply appreciates the support its customers and other regional partners provided in favor of the Boswell 4 project," Hodnik said. "Through emission reductions, renewable energy additions and other actions, our Energy Forward plan is designed to give our customers reliable, cost effective and environmentally compliant power for decades to come."

Minnesota Power plans to begin construction on the \$350 million project this summer, pending approval of an air permit from the MPCA.

Minnesota Power provides electric service within a 26,000-square-mile area in northeastern Minnesota, supporting comfort, security and quality of life for 143,000 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.

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