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## **ALLETE Clean Energy to Sell Phase II of Thunder Spirit Wind Farm to Montana-Dakota Utilities**

Sale will deliver low-cost renewable energy to MDU customers

DULUTH, Minn.--(BUSINESS WIRE)-- ALLETE Clean Energy, a wholly-owned subsidiary of ALLETE Inc. (NYSE: ALE), today announced its plan to sell the 48-megawatt phase two of the Thunder Spirit wind farm near Hettinger, North Dakota to Montana-Dakota Utilities (MDU).

The approximately \$85 million sale is expected to close when ALLETE Clean Energy's development of the site, scheduled to begin in May 2018, is complete later this year.

The North Dakota Public Service Commission approved MDU's request for an advance determination of prudence in November, noting that electricity produced at the site is expected to be more economical than energy purchased on the market.

In 2014, ALLETE Clean Energy acquired the rights to build the 107-megawatt first phase of Thunder Spirit, which includes 43 turbines and generates enough electricity to power about 30,000 homes. After the project was completed in 2015, ALLETE Clean Energy sold the wind facility to MDU for \$200 million, and Montana-Dakota operates the wind farm for its customers.

ALLETE Clean Energy has qualified the project, which brings the Thunder Spirit site to its 155-megawatt permitted capacity, for federal renewable energy production tax credits.

The Thunder Spirit phase II development will be part of a busy year for ALLETE Clean Energy as the company executes its growth strategy. The company also plans to build the 106-megawatt Clean Energy One wind project in North Dakota to fulfill a power sales agreement with Xcel Energy. At its Minnesota and Iowa wind sites, ALLETE Clean Energy is in the midst of refurbishing up to 385 wind turbines. The refurbishment project will generate federal production tax credits at the three wind energy facilities and support the renewal of power sales agreements at the Storm Lake sites in Iowa.

In addition to its development and refurbishment projects, ALLETE Clean Energy owns and operates approximately 535 megawatts of wind energy generation at facilities in Minnesota, Iowa, Oregon and Pennsylvania.

"This sale agreement demonstrates ALLETE Clean Energy's renewable energy development expertise. It also advances the company's multipronged growth strategy to expand its clean energy project portfolio by pursuing acquisitions, new projects with long-term power sales agreements, build-transfers and new investments in existing facilities," said Allan S. Rudeck Jr., president of ALLETE Clean Energy. "We're proud to work with MDU to deliver low-cost, carbon free, North Dakota-sourced energy to serve its customers."

"We are in need of additional energy to meet our growing demands, and with the easements, interconnection to the grid and permits already in place from the first phase of Thunder Spirit wind, it makes this a great project for Montana-Dakota," said Montana-Dakota president and CEO Nicole Kivisto. "Our relationship with ALLETE Clean Energy on the first phase of Thunder Spirit proved to be a winning formula, so that allowed us to move forward with great confidence."

ALLETE Clean Energy was established in 2011 to acquire and develop capital projects to create energy solutions by way of wind, solar, biomass, hydro, natural gas, shale resources, clean coal technology and other emerging technologies.

ALLETE Inc. is an energy company headquartered in Duluth, Minnesota. In addition to its electric utilities, Minnesota Power and Superior Water, Light and Power of Wisconsin, ALLETE owns ALLETE Clean Energy, based in Duluth; BNI Energy in Bismarck, North Dakota; U.S. Water Services in St. Michael, Minnesota; and has an 8 percent equity interest in the American Transmission Co. More information about ALLETE is available at [www.allete.com](http://www.allete.com). ALE-CORP

*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. 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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