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Minnesota Power Completes Major Environmental Improvement Project at Its Largest Generating Station

COHASSET, Minn.--(BUSINESS WIRE)-- Minnesota Power's Boswell Energy Center will generate electricity more cleanly and reliably for many years to come with the completion of a major emissions reduction project.

The three-year environmental improvement project at Boswell Unit 4 recently wrapped up in Cohasset and is online and generating power to meet customers' energy needs. The environmental upgrade is reducing mercury emissions by 90 percent and also significantly reducing emissions of sulfur dioxide and particulates, meeting all state and federal regulations. Unit 4, capable of producing 585 megawatts, is Minnesota Power's largest coal-fired generating unit. Minnesota Power is an operating division of ALLETE Inc. (NYSE: ALE)

Total cost of the Boswell project is about \$260 million. At the peak of construction, local trades and other workers numbered 600 on-site. Minnesota Power integrated the new emissions control equipment with existing systems during a 10-week outage this fall.

"The new state-of-the-art technology at Boswell 4 will make the generating unit among the cleanest and most efficient in the nation while helping to preserve the reliable and affordable power our customers expect," said Al Hodnik, ALLETE chairman, president and CEO. "The project is the latest achievement in our initiative to further lower emissions that began in 2006, and it demonstrates Minnesota Power's commitment to a balanced energy future through its *EnergyForward* strategy to help transform the nation's energy landscape."

EnergyForward is the company's resource strategy to diversify its power supply to a balanced energy mix of one-third coal, one-third renewable energy and one-third natural gas. Minnesota Power's renewable energy portfolio has already enabled the company to meet the state of Minnesota's renewable energy standard of 25 percent by 2025 a decade early.

"Baseload coal generation remains an important energy supply component supporting Minnesota Power's mission to deliver safe, reliable and affordable electricity to its customers, even as we add more renewable energy and natural gas and achieve energy savings through conservation," said Minnesota Power Chief Operating Officer Brad Oachs. "With the retrofit finished, ahead of schedule and under budget, Boswell 4 is cost-effectively serving customers, including the mines, paper mills and other large industrial customers, with cleaner power. It's ready to perform at the highest level."

In the past decade, Minnesota Power has invested more than \$600 million to cut emissions across its system. The utility has reduced mercury emissions by 90 percent while lowering sulfur, nitrogen oxide and fine particulates by more than 70 percent compared with 2005 levels.

That investment also included the installation of a high efficiency steam turbine at Boswell 4 resulting in 60 megawatts of increased power capacity with no additional emissions. In November 2015, the [Minnesota Pollution Control Agency recognized Minnesota Power](#) for its leadership in reducing mercury emissions.

The Boswell 4 environmental upgrade involved replacing the existing wet scrubber and particulate control technology with a semi-dry system that uses less water, installing a powdered activated carbon injection system to capture flue gas mercury, and adding a fabric filter to further control particulates. A new 25,000-square-foot building houses a nine-module Alstom NID system that removes mercury, sulfur dioxide and particulates. Ash management entails the transport and storage of ash in a state approved ash cell that complies with applicable rules. The project meets the requirements of Minnesota's Mercury Emissions Reduction Act and the federal MATS rule (Mercury and Air Toxics Standards).

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. ALE-ENRG

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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