



INVESTOR PRESENTATION

New York

December 2022



Forward looking statement

Any statements contained in this presentation and statements that ALLETE, Inc. representatives may make orally in connection with this presentation 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, Inc. with the Securities and Exchange Commission.

ALLETE's presentation and other communications may include certain non-Generally Accepted Accounting Principles (GAAP) financial measures. A "non-GAAP financial measure" is defined as a numerical measure of a company's financial performance, financial position or cash flows that excludes (or includes) amounts that are included in (or excluded from) the most directly comparable measure calculated and presented in accordance with GAAP in the company's financial statements.

Non-GAAP financial measures utilized by the Company may include a presentation of earnings (loss) per share and earnings. ALLETE's management believes that non-GAAP financial measures provide useful information to investors by removing the effect of variances in GAAP reported results of operations that are not indicative of changes in the fundamental earnings power of the Company's operations. Management believes that the presentation of the non-GAAP financial measures is appropriate and enables investors and analysts to more accurately compare the company's ongoing financial performance over the periods presented. Non-GAAP measures to the most directly comparable GAAP measure, if presented, is included in the appendix.

This presentation was prepared as of December 7, 2022, and ALLETE, Inc. assumes no obligation to update the information or the forward-looking statements contained herein. The 2022 outlook contained herein was provided, and is as of November 9, 2022.

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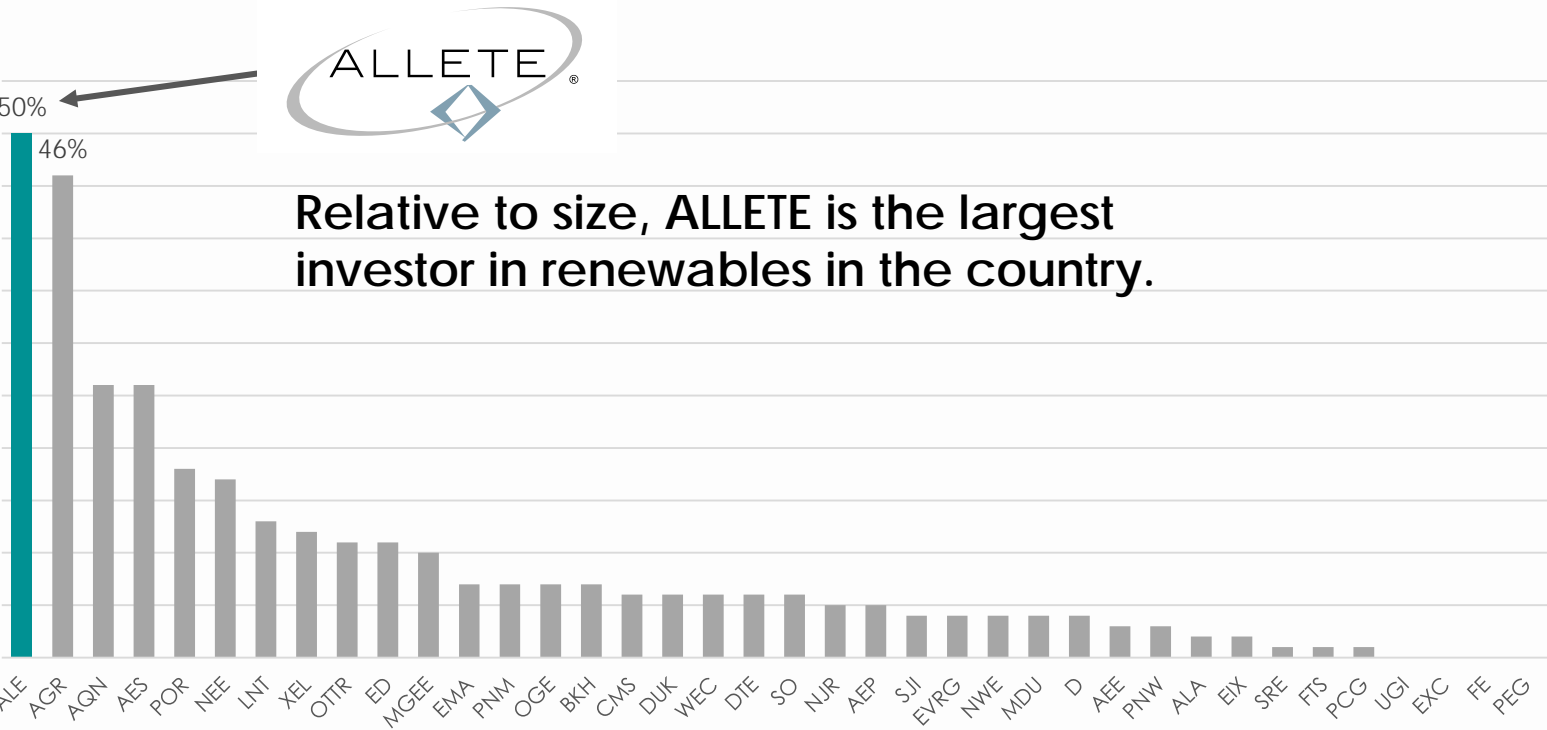
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ALLETE Highlights

- Minnesota Power's Integrated Resource Plan, approved in November, will result in additional renewables and storage over the next 15 years
- Significant increase in Base CapX over the next five years (with more to come)
- Recently passed Inflation Reduction Act will benefit all the ALLETE businesses
- Our geographic advantage will provide material long-term growth and diversification
- Very constructive ALJ recommendations for Minnesota Power rate case
- ALLETE Clean Energy well-positioned to benefit from the accelerating transition to clean energy
- New Energy Equity's momentum continues to expand pipeline and into new markets

Now ranking #1 in renewable investment, ALLETE has evolved to be a market leader.

Solar and Wind Capacity as a Percent of Market Cap (MW / US\$ Market Cap)¹



Source: Company public filings, SNL, Press Releases, Bloomberg market data as of 16-Feb-22
Note: Includes both regulated and unregulated wind and solar net generation capacity.
¹ Calculated as solar and wind net owned operating capacity / market cap. Excludes development pipelines.

Key Trends in the U.S. Renewables Sector and Overview of ALE Portfolio

ALLETE's strategy for success is *Sustainability in Action*



EXPAND RENEWABLES

- Currently ranked #1 among investor-owned utilities for investment in renewable energy based on market capitalization
- Minnesota Power #1 in Minnesota, and #2 in Midwest as a renewable energy provider
- New Energy Equity a leading developer of distributed solar



REDUCE CARBON

- Minnesota Power
 - Retired/idled seven of nine coal facilities
 - 50% renewable energy supply at end of 2020, goal of 70% by 2030
 - Coal-free by 2035 and 100% carbon-free vision by 2050
- ALLETE Clean Energy
 - 1,500 MW completed and under construction helping utilities, municipalities and C&I customers achieve sustainability goals nationwide



ENHANCE GRID RESILIENCY

- Investing in infrastructure for managing the delivery of increasing amounts of renewable energy, and enhancing the resiliency and reliability of the grid.



DRIVE INNOVATION

- Reducing water use, investing in more weather resistant infrastructure, identifying alternative low- or zero-carbon fuels and carbon capture and sequestration technology.

Workplace

- 2021 Women on Board Winner for Board Gender Diversity
- Minnesota Power & ALLETE Clean Energy named Yellow Ribbon Companies
- Commitment to advancing DE&I
- Proactive and deliberate COVID-19 response

Community

- Partnering with diverse suppliers
- Corporate funding and employee volunteerism to those in need – and addressing the opportunity gap
- Full commitment to regional economies and host communities

Customers

- Well-positioned to serve the C&I customer segment
- Strong focus on customer ESG & competitiveness needs

Accelerating clean energy trends drive ALLETE's 5-7% growth objective



SUSTAINABILITY IN ACTION GROWTH STRATEGY

- Expanding renewable sources of energy
- Strengthening and expanding the electric grid
- Developing innovative solutions
- Reducing overall carbon emissions
- Financing growth with substantial liquidity

The Inflation Reduction Act: A significant catalyst

Regulated growth opportunities

- Significant renewable infrastructure and transmission investments over the next decade
- Improving ROE
- Superior Water, Light & Power, ATC investments, and other regulated opportunities

New Energy Equity and ALLETE Clean Energy opportunities

- Leveraging existing platforms / Maximize pipeline and portfolio value
- Expand products and services
- Diversify new customers, assets and geographies
- Improve ALLETE Clean Energy financial returns



ALLETE's attractive value proposition

Financial Targets	
Long-term earnings growth (CAGR)	5 - 7%
Targeted payout ratio	60 - 70%
Long-term dividend growth	align with earnings

Sustainable clean
energy solutions

Multi-faceted
earnings growth
potential

Differentiated
capital investment
opportunities

Solid balance sheet
and credit ratings
with growing cash
flow from operations

Attractive and
growing dividend

Setting the stage for future growth:

ALLETE's businesses are well positioned to leverage clean energy trends

Regulated Operations



- Generates, transmits and distributes electricity in northern Minnesota; rich in natural resources
- Expediting the transition away from coal, creating renewable infrastructure opportunities
 - Additional wind generation/solar/storage and supporting transmission & distribution
- Currently providing 50% renewable energy to customers; goal to deliver 100% carbon-free energy by 2050
- Position for inter-regional connections advancing its high voltage transmission strategy



- Provider of electric, natural gas and water service in northwestern Wisconsin
- Smart metering advancing along with increased renewable service offerings
- Natural gas expansion opportunities
- Plans to construct community solar garden and producing energy in 2023
- ~\$60M estimated capex spend 2023 – 2027 with rate base growth CAGR~5%



- 8% ownership
- ATC owns and operates the electric transmission system in portions of Wisconsin, Michigan, Minnesota & Illinois
- Growing equity investment with planned ten-year build-out
- Capital investment in MISO Tranche 1 expected to be ~\$900M; investment in Tranche 2 likely material
- Updated ten-year capital investment plan ~\$5B-\$6B
- ALLETE will participate in future investment opportunities

Non-Regulated Operations



- Leading developer of community, commercial and industrial, and small utility-scale solar energy projects
- Core competency includes adding value through sharing national capabilities with regional co-development partners
- Involved in greenfield development, as well as acquiring mid-stage and late-stage projects, bringing them through completion
- Off-take agreements, sourced internally and through third party aggregators are executed with high quality corporate customers, municipalities and non-profit organizations



- Established platform focused on developing, acquiring, and operating clean energy and renewable energy projects
- 1,500 MWs of wind projects; 8 states; utilities, municipalities and fortune 500 C&I customer base, and growing
- Will continue to evaluate additional growth opportunities, such as solar and storage solutions



- Operates a lignite mine near Center, North Dakota
- Producing about 4M tons annually, under a long-term cost-plus fixed-fee arrangement to 2037
- Working with partners on supporting carbon capture solutions
- Leveraging BNI established relationships for clean energy advancement
- Recognized for best in class reclamation practices

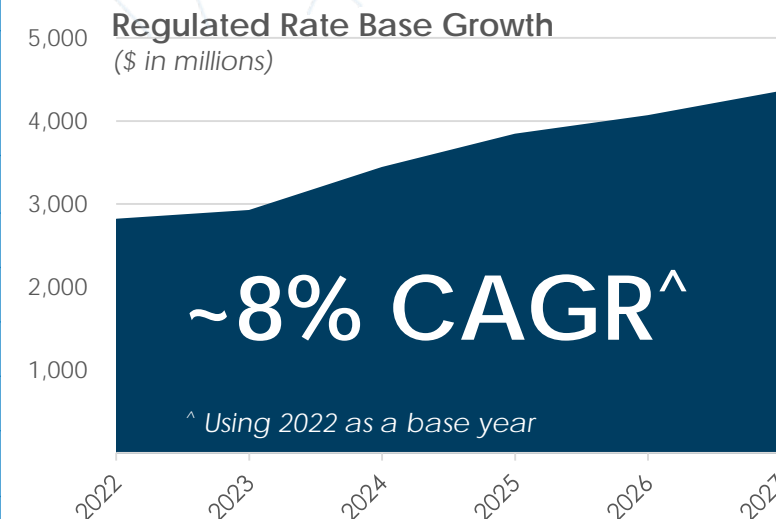
ALLETE will remain predominantly a regulated utility

Increase of nearly \$1B in Base CapX over the next 5 years

~\$2.7B Investment in Transmission and Clean Energy Initiatives

Capital Expenditures								
(millions)	2023	2024	2025	2026	2027	2023-2027	Total Project	Potential Recovery Method
Regulated Operations								
DC Line Transmission Upgrade	\$ 40	\$ 105	\$ 145	\$ 195	\$ 250	\$ 735	\$ 735	Rider
MISO Tranche 1 Transmission	–	5	10	10	65	90	465	CWIP*
Solar 200MW	–	150	150	–	–	300	300	Rider
Storage Pilot	–	20	–	–	–	20	20	Rider
Base & Other	190	265	250	235	185	1,125		Rider/Base
ALLETE Clean Energy (base capX)	5	5	5	5	5	25		
Corporate & Other								
Wind Partnership 200MW (Pre-IRA)	–	70	115	–	–	185	185	COD
Nemadji Trail Energy Center	45	55	35	5	–	140	145	COD
Other	10	10	15	15	20	70		
Total	\$ 290	\$ 685	\$ 725	\$ 465	\$ 525	\$2,690		

* Pending FERC outcome.



➤ Table excludes any incremental ALLETE Clean Energy projects and New Energy asset ownership, additional equity investment at ATC, as well as the impact of Minnesota Power's 2021 Integrated Resource Plan decision.

Further transition to clean energy will provide additional investment in transmission and renewables beyond 2027.

Regulated Rate Base Growth Supports ALLETE's Long-term 5-7% Growth Objective

Transformational long-term investment opportunities

TRANSMISSION



- Expect at least ~2-3% participation in MISO Tranche 2
- Positioned for inter-regional connections to advance high voltage transmission strategy
- Inflation Reduction Act will require new transmission to support renewables – Minnesota Power locations will differentiate its opportunity for material expansion
- Regional transmission projects benefit a broader customer base beyond Minnesota Power jurisdiction

RESPONSIBLE COAL FLEET TRANSITION / BASELOAD & SUPPLEMENTAL RENEWABLES



- Developing plans to replace over 800 MW of baseload generation at Boswell Units 3 & 4 in Cohasset, MN by 2030 and 2035, respectively
- Significant baseload requirements to support industrial customers need and changing of the energy grid
- Exploring baseload optionality including generation of ~300-400 MW commencing in 2025 to 2030
- Constructive November 2022 Integrated Resource Plan decision, expect initial RFPs in Q1-2023
- Will explore current cost recovery as appropriate

Increasing investment opportunities will be reflected in future Minnesota Power Integrated Resource Plans to support our clean-energy vision to produce coal-free energy by 2035 and carbon-free energy by 2050.

ALLETE financing plan is funded predominantly by cash flow from operations

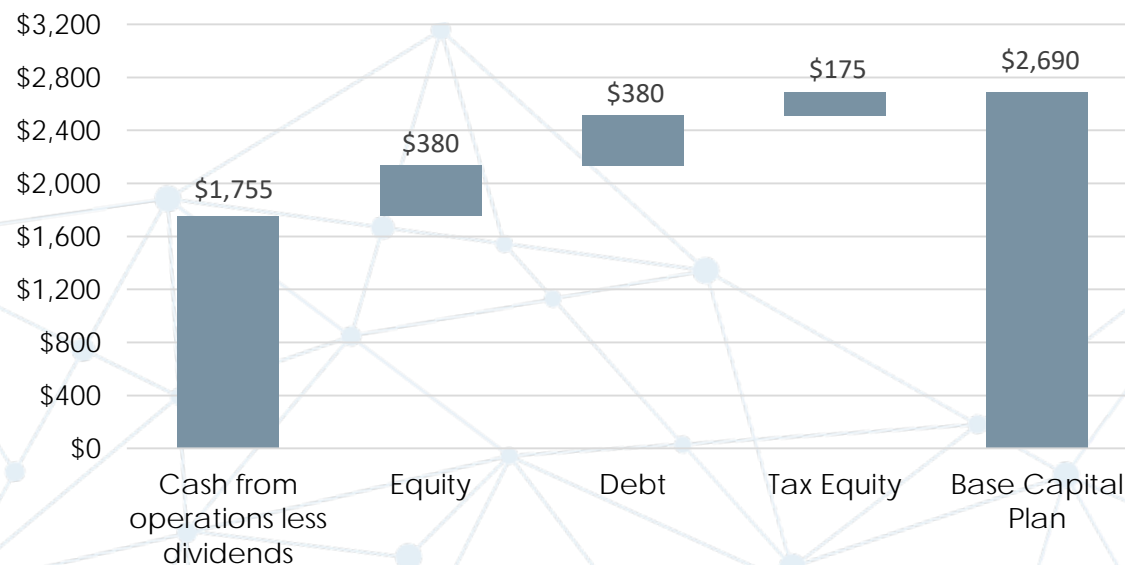
Strong cash flow from operations

Line of credit
\$400M

IRA opportunities and access to tax equity partners

Limited equity needs

Financing sources 2023 - 2027



Excludes possible acquisitions / additional development projects.

Additional Financing Activities

Cash from new operations

IRA transferability of tax credits

Tax equity

Potential equity using existing at-market program

ALLETE anticipates forming a holding company which could result in opportunities to utilize other financing alternatives to limit common equity issuances.

Inflation Reduction Act creates value for all of ALLETE's businesses

- ✦ Production Tax Credits (PTC) and Investment Tax Credits (ITC) extensions provide new options for investment
- ✦ PTC and ITC eligibility for solar and storage projects greatly benefits Minnesota Power, New Energy and ALLETE Clean Energy
- ✦ Transferability of tax credits adds monetization options for all ALLETE businesses
- ✦ Is directionally positive for cash flows and credit positive for rating agency perspective
- ✦ No impact of the alternative minimum tax provision on ALLETE

ALLETE expects to generate tax credits in the years 2023-2028:

<u>2023</u>	<u>2024</u>	<u>2025-2028</u>
~\$45M - \$50M	~\$45M	~\$10M - \$20M / yr.

Regulated Operations



Our Geographic Advantage: Transmission investment will provide material growth and diversification



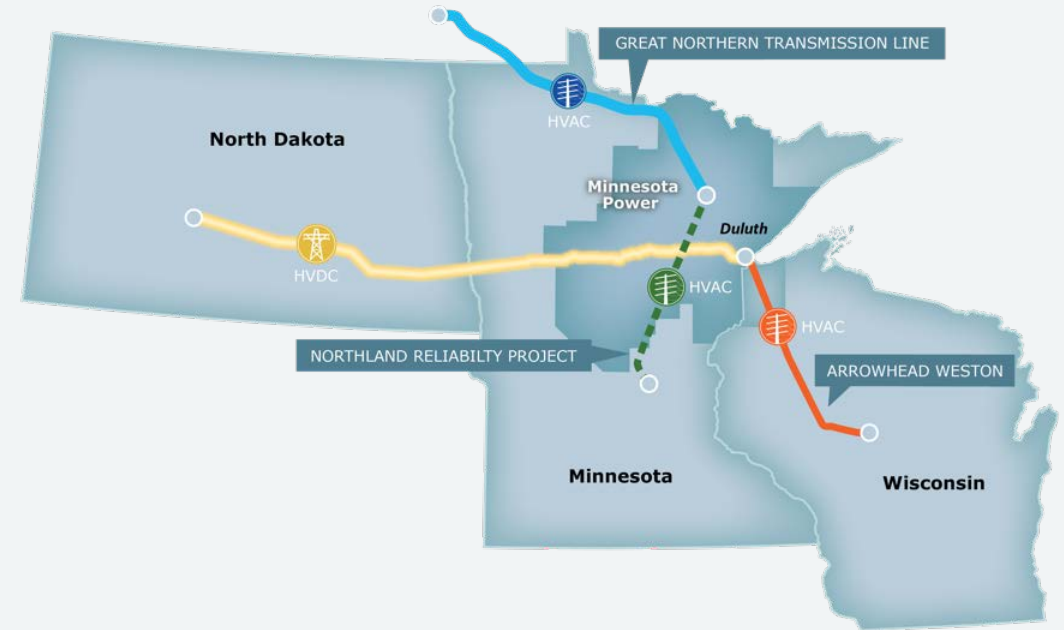
EnergyForward



Clean energy transformation

DC line—a strategic asset with optionality

- Grid reliability investments
- Market expansion
- Bi-directional opportunity
- Additional renewables
- Further expansion possibilities
 - Nation-wide multi-region corridors
 - The DC Line expansion creates potential additional projects



DC Line – Transmission

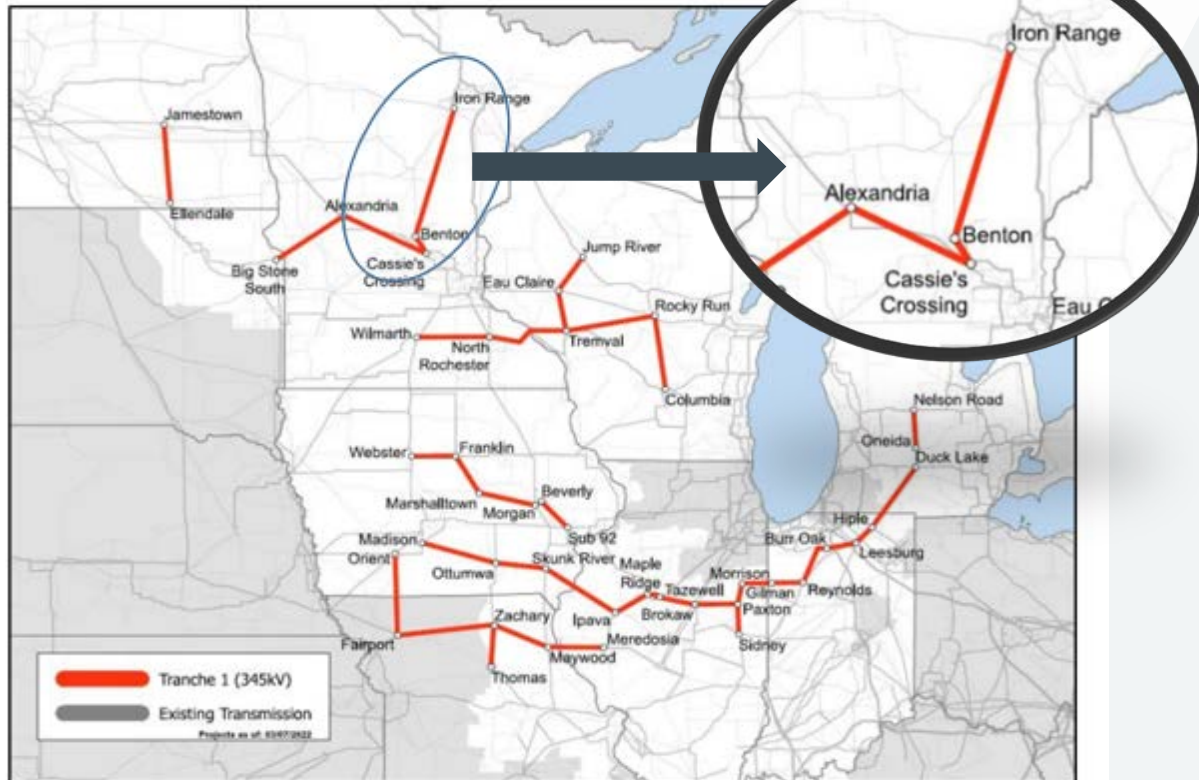
- Existing footprint of DC transmission line is 465-mile
- Company to upgrade existing 550 MW capacity by up to 350 MW
- The Company has reserved queue positions for all 350 MW

Significant Transmission Investment Opportunities for Minnesota Power

Evolving MISO Long Range Transmission Plan will help to maintain a reliable and resilient regional power grid



Tranche 1 LRTP Portfolio



MISO Tranche 1

- 18 Projects, **\$10.3B** estimated cost; Approved by MISO Board July 2022
- Multi-Value Projects (MVPs) with cost allocated across Northern MISO (MP is **~2.5%** of MISO North)

MP Investment in Tranche 1

- MP investment rights in two LRTP Projects based on existing ownership and Minnesota Right of First Refusal (ROFR) statute
- Estimated MP Investment: \$450-500M
- Construction spend estimated to begin in 2024 with targeted 2030 in service

Northland Reliability Project: Iron Range to Benton County

- ✓ New double circuit 345 kV line from MP Iron Range to GRE Benton County
- ✓ Includes expansion of MP Iron Range Substation and addition of series compensation station at MP Riverton Substation
- ✓ Estimated total project cost = **\$970M**
- ✓ Joint project development and ownership with **Great River Energy**
- ✓ Notice of Intent filed with MPUC 8/1/22; Certificate of Need to be filed in 2023

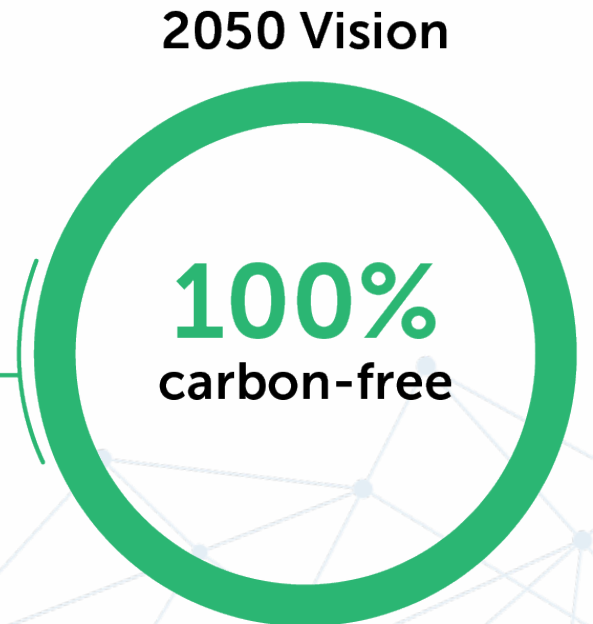
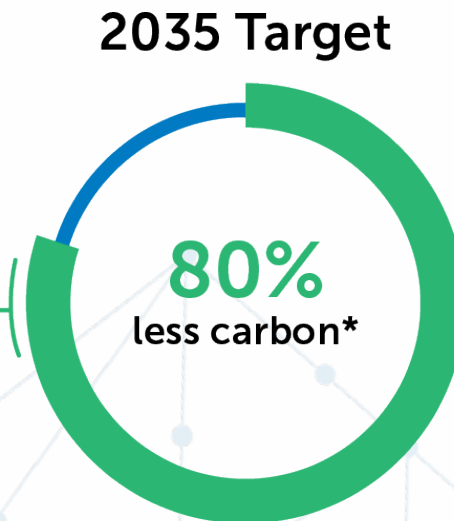
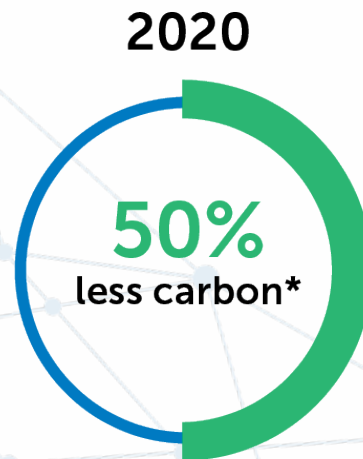
CapX Alexandria – Monticello

- ✓ Add second circuit to existing double-circuit capable line
- ✓ Estimated facility cost = **\$36M**; MP share **~14.7%**
- ✓ Joint investment with **CapX Fargo Project owners**

Minnesota Power's 100% carbon-free energy vision

We are committed to making a sustainable transition to a **reliable, affordable** and **carbon-free** energy mix for our customers.

*From 2005 levels



Minnesota Power Filed a Request With the MPUC to Increase Base Retail Electric Rates

General rate case review filed Nov. 1, 2021

(Docket No. E015/GR-21-335)

- Interim rate request ~\$87M, total request ~\$108M
- ROE 10.25%, 53.81% equity ratio
- Forward 2022 test year
- Interim rates approved by MPUC December 2, 2021, as requested
 - ~\$80M rate increase beginning 1/1/22
 - ~\$7M deferred recovery reflects 50% reduction for residential (subject to future recovery)
 - Interim rates are subject to refund
- Expect MPUC order February 2023
- Proposed sales true-up mechanism

Constructive Regulatory Framework

- Forward test year
- Interim rates
- Current cost recovery riders
- Fuel adjustment clause
- Conservation Improvement Program (CIP)

The request will primarily focus on seeking recovery of revenue deficiencies related to:

EnergyForward clean energy transition

Evolving customer demand

Competitive returns on investments

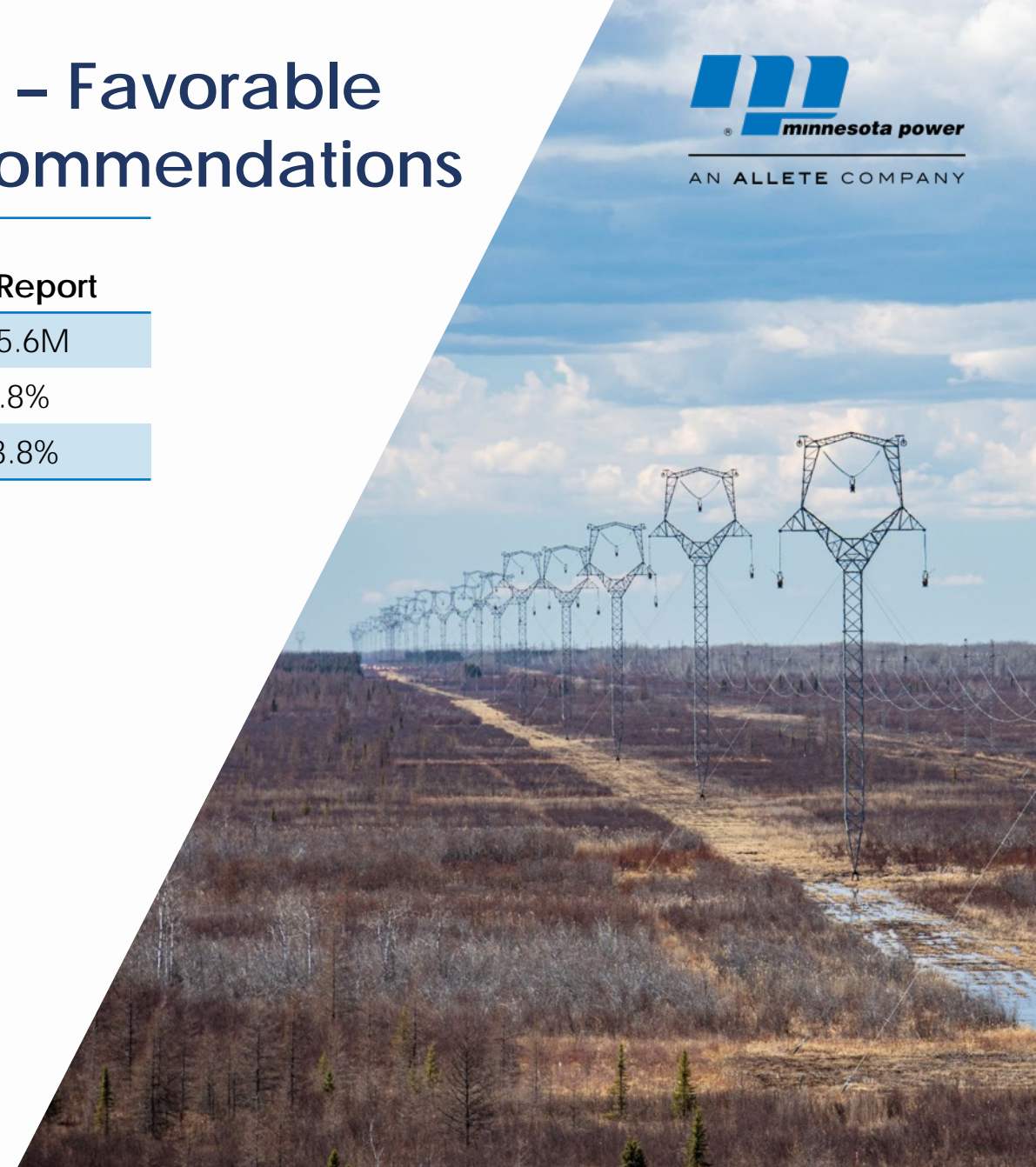
Minnesota Public Utilities Commission (MPUC)

Name	Party	Began Serving	Term Ends
Katie Sieben (Chair)	D	Jan. 2017	Jan. 2023
Joe Sullivan	D	Apr. 2020	Jan. 2026
Valerie Means	D	Apr. 2019	Jan. 2025
Matt Schuerger (pending)	I	Feb. 2016	Jan. 2022
John Tuma	R	Mar. 2021	Jan. 2027

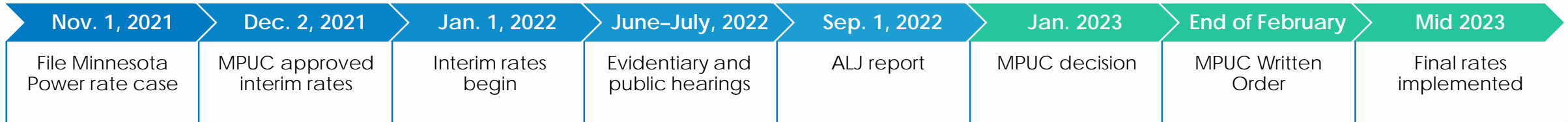
Minnesota Power Rate Case Update – Favorable Administrative Law Judge (ALJ) Recommendations

	MP Current	MP Requested	ALJ Report
Revenue Deficiency		\$108.3M	\$75.6M
ROE	9.25%	10.25%	9.8%
Equity Ratio	53.8%	53.8%	53.8%

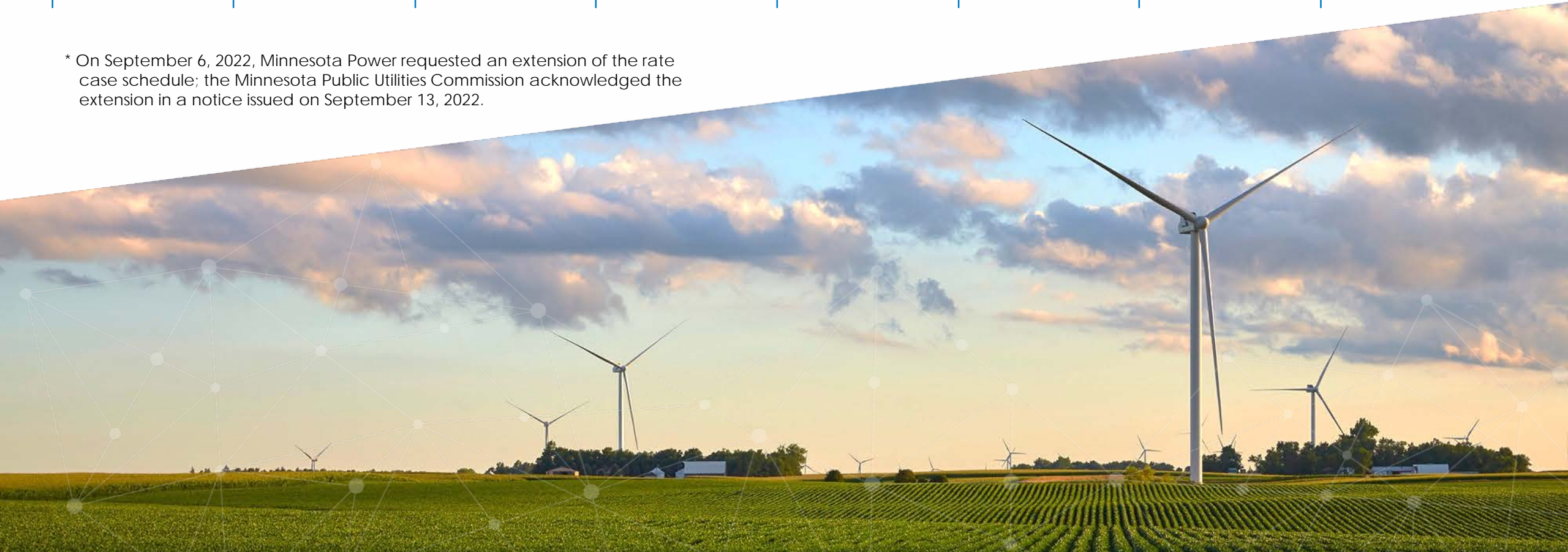
ALJ Supported	Include prepaid pension and OPEB assets in rate base	✓
	Support MP forecast for DOC-challenged FERC accounts	✓
	Support MP jurisdictional allocation factors	✓
	Support benefit and health care expenses	✓
	Support MP property tax true-up	✓
	Support MP forecast for PTCs	✓
	Support MP headcount and compensation	✓
MP filed exceptions to ALJ Report	Support DOC forecast for mining and metal customers	—
	Reflect sales to Cenovus and ST Paper in the test year	—
	Support LPI forecast for residential customer sales	—
	No recovery of Tac Harbor investment, but allow expenses	—
	Oppose sales true-up	—



Procedural Timeline for Minnesota Power Rate Case has been Extended*



* On September 6, 2022, Minnesota Power requested an extension of the rate case schedule; the Minnesota Public Utilities Commission acknowledged the extension in a notice issued on September 13, 2022.



Integrated Resource Plan – Certainty of Regulatory Timeline with Hearing Dates

- November 10 – MPUC approved (by a 5-0 vote) a settlement agreement that was reached with various stakeholder groups which nearly doubles the amount of renewable energy than was included in the initial Integrated Resource Plan.
 - Includes 400 MWs of wind, 300 MW of regional solar, with storage to support these renewables
 - Continued evaluation of the Boswell Unit 4 transition
 - Grid reliability proposals to be deferred to future regulatory filings:
 - MISO long-range transmission plan
 - Nemadji Trail Energy Center
- Next steps: Begin process to procure the additional wind, solar and energy storage identified in the IRP.



Next IRP to be filed by March 1, 2025

ALLETE's regulated electric, natural gas and water distribution company in Wisconsin



Constructive regulatory environment

- Wisconsin Public Service regulated
- Filed rate case April 29, 2022, for \$4.3M in additional revenue based on 55% equity and 10.4% ROE

Significant rate base investment growth

- 12/31/2021 YE rate base \$92M
- ~\$11.3M in 2022, ~\$60M estimated spend 2023 – 2027
- ~5% Rate Base Growth CAGR

Leverage existing footprint

- Grow customer municipality relationships

Pilot new customer service products

- Innovation
- Leverage technology
- Partner

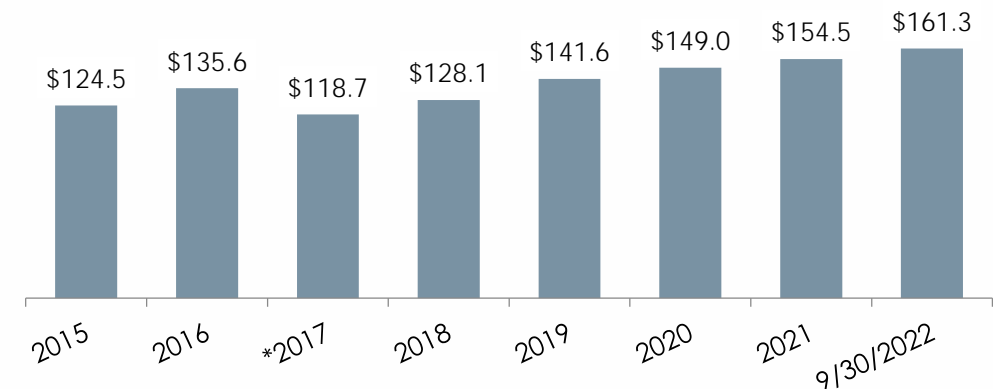
ALLETE's investment in ATC continues to grow

And is a meaningful contributor to earnings

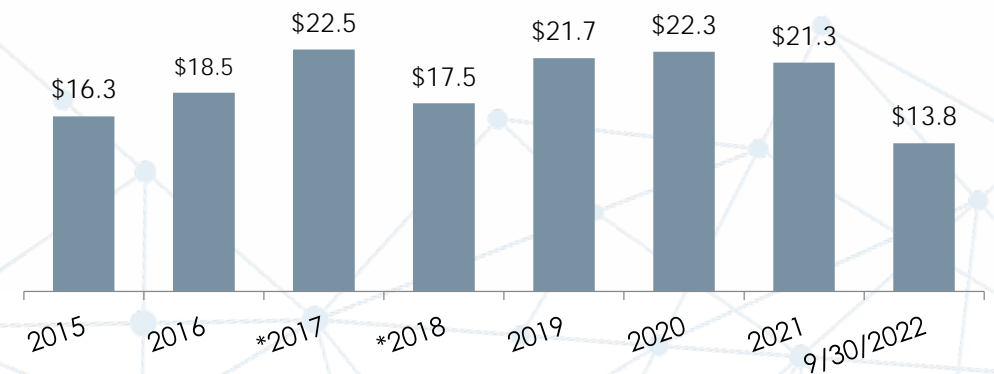


- Wisconsin-based transmission company
 - Owns and operates electric transmission system in portions of Wisconsin, Michigan, Minnesota and Illinois
- 8% ownership delivers steady earnings and cash flow
- FERC regulated – FERC recently approved 10.52% ROE (includes 50 bps adder)
- ATC's October 2022 10-year capital investment forecast calls for \$5B-6B in system improvements, including MISO Tranche 1 of ~\$900M; participation in MISO Tranche 2 will be incremental.

Equity Investment Balance



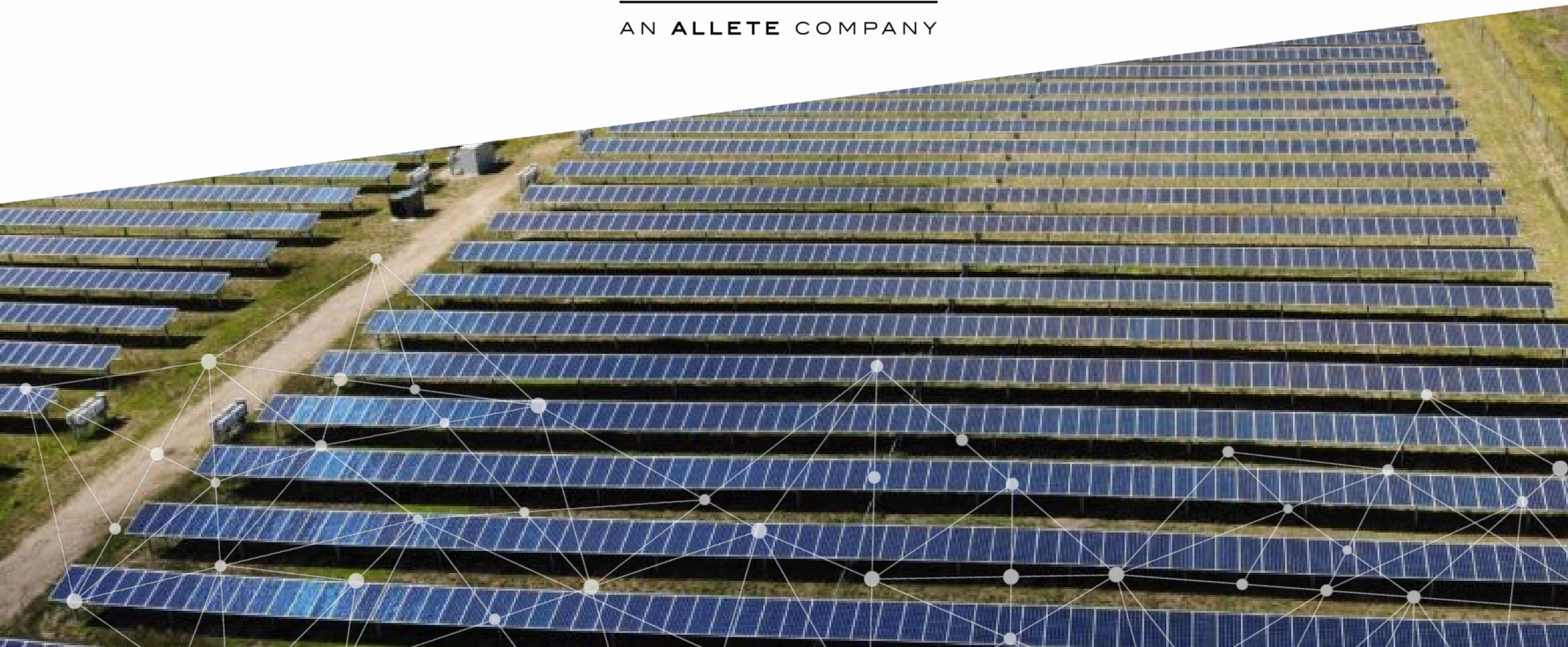
Equity Earnings (pre-tax)



* Impacted by the remeasurement of deferred income tax assets & liabilities resulting from tax reform



AN ALLETE COMPANY



Snapshot of Investment Highlights

Who We Are

- New Energy is a leading developer of community, commercial & industrial, and small utility-scale solar energy projects
- Active with project development and acquisitions in 20+ states throughout the U.S. with leading market share in many established and upcoming community solar markets
- 80+ employees across three offices in Annapolis, MD, Roseville, MN and Boulder, CO

What We Do

- Provide project development, engineering, management and construction, O&M asset management and project financing
- Solid project margins with disciplined, systematic approach to risk management

Year-to-Date Progress

- Integration with ALLETE going well and strategic benefits of the transaction remain strong
- Despite challenges in the supply chain, including module procurement, New Energy is on track to meet expectations in 2022 and well positioned for growth in 2023
- Inflation Reduction Act legislation is accretive to the existing financial plan and future competitiveness and profitability

Q3-2022 Updates:

- Year to date results \$0.2M, which includes \$5.7M of after-tax impacts from purchasing price accounting; negative impacts from purchase price accounting are expected to diminish in 2023
- On track with full year acquisition plan results
- Significant October project closings provide momentum for a strong fourth quarter

Key statistics:

345MW+ Projects closed

>2GW Development pipeline

~\$20M 2021 Adjusted EBITDA

New Energy Equity Key Differentiators



1 Seasoned Provider with Meaningful Scale

- 330 MW developed in 14 states to date
- > 2GW portfolio across 30+ states
- Rapidly growing O&M/asset management business (170+ MW)

2 Industry Leading Profitability

- Process-oriented development approach minimizes risk exposure, limits incurrence of sunk costs and ultimately leads to maximized project profitability
- Discipline in controlling overhead maximizing EBITDA margin

3 Strong and Entrenched Relationships

- Have contracted with over 300 commercial, municipal and educational institutions
- New Energy partners with local developers which pipeline visibility and allows New Energy to navigate the specifics of regional markets, allowing for a lean team with broad national reach

4 Track Record of Success and Reputation

- Best-in-class name brand and reputation locally and regionally
- Proven success in expanding into new markets and pursuing growth initiatives in C&I and community solar and a consistent market leading acquisition success

5 Geographic Diversification in Key Renewable Markets

- Strong presence in key markets (majority of top 19 states) where solar energy growth is expected to accelerate most over next 5 years
- Continued, disciplined expansion into new markets is underway (portfolio spans 30+ states)

6 Positive Renewable Energy Industry Tailwinds

- Significant growth potential, including (1) local, state and federal legislation (Inflation Reduction Act) throughout the country and (2) market shift (consumer and corporate) to sustainability

7 Full Suite of Capabilities, Project Monetization Optionality

- Diversified and complementary businesses include development, project implementation, financing, O&M and asset management
- Project development and financing optionality to maximize project returns or project net income

8 Highly Experienced and Invested Management Team

- Highly qualified leadership team with diverse experience set including significant experience (10+ years on average) in the U.S. renewable energy industry

9 Significant Future Growth Potential

- New Energy is well positioned to take advantage of organic market growth expected to be installed over the next 10 years
- New Energy is also well positioned to pursue geographic expansion based on proven track record and established strategy

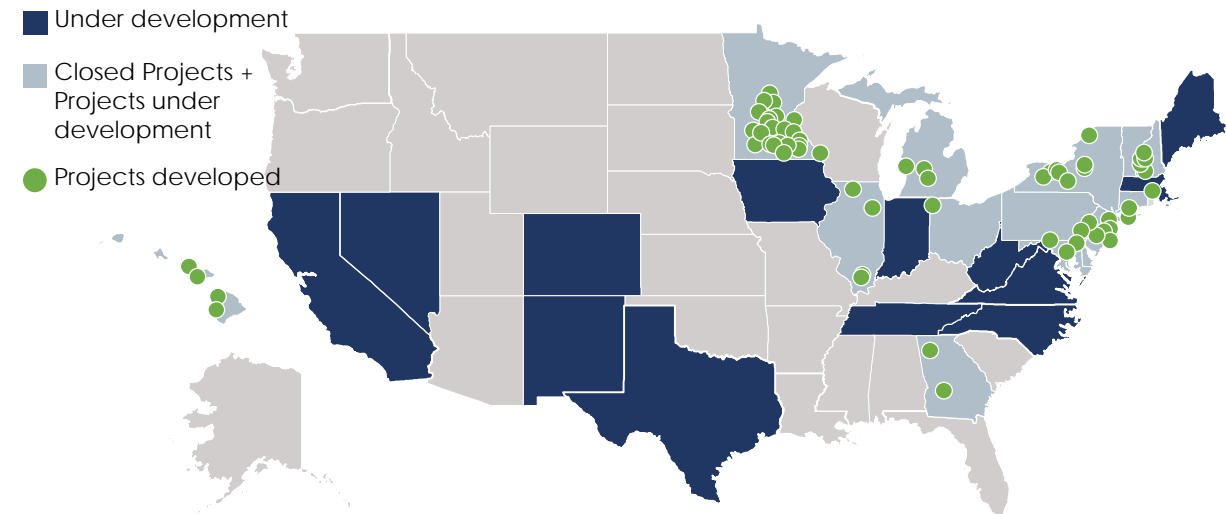
Project Opportunities

Rapidly Increasing with Further Support from the Inflation Reduction Act

Strategy and Opportunities

- Expansive pipeline of projects developed in over 20 states throughout the U.S.
- Significant project opportunities in Illinois, Minnesota and New York – currently largest solar garden developer in Illinois and Minnesota
- Promising new markets in MD, NM, VA, CA, PA, CO, WA and OH
- Additional longer term growth opportunities include:
 - C&I Solar
 - Storage
 - Platform acquisitions
 - Solar project ownership
 - Electric vehicle charging
 - Synergies for O&M with ALLETE solar portfolio
- Inflation Reduction Act has potential locational, domestic material and low to moderate income subscriptions adders with upside on investment tax credit up to 50%.

States with projects closed and under development



Total pipeline of projects has expanded since acquisition.

Well recognized, established track record and name brand in the solar industry

New Energy Equity has seen tremendous growth since its founding in late 2013.

The Company has been **recognized by the best publications** inside and outside of the Industry, including the following awards:

Solar
Power World
(2021)

8th largest commercial solar company in U.S.

7th largest developer in U.S.

55th largest solar company in U.S.


(2021)

New Energy Equity named 2021 Small Business of the Year

Matt Hankey named Small Business Executive of the Year

Inc.
(2020)

35th fastest growing company in the Washington, DC metro area

Inc.
(2019)

13th fastest growing energy company in U.S.

21st fastest growing company in Maryland

491st fastest growing company in U.S.



Highlights

- Positioned to benefit from the accelerating transition to clean energy
- Inflation Reduction Act legislation impacts include incentives, clarity around the 10-year time horizon and increased flexibility around structuring and financing projects
- Established platform focused on developing, acquiring and operating clean energy and renewable energy projects
- Premier geographic footprint in wind-rich regions, diversified across eight states
- Long duration contracts with solid counterparty credit
- Broadening business model and core competencies beyond wind to include storage, solar and other technologies, paired with existing sites

ALLETE Clean Energy has multiple avenues by which to raise and reallocate capital into energy transition opportunities.

Corporate Customers

Walmart
McDonald's
Starbucks
Smithfield Foods
Oshkosh

Utility Customers

Montana-Dakota Utilities Co.
Xcel Energy
NorthWestern Energy
ODEC
Alliant Energy



Executing on near-term strategy

Near-term focus:

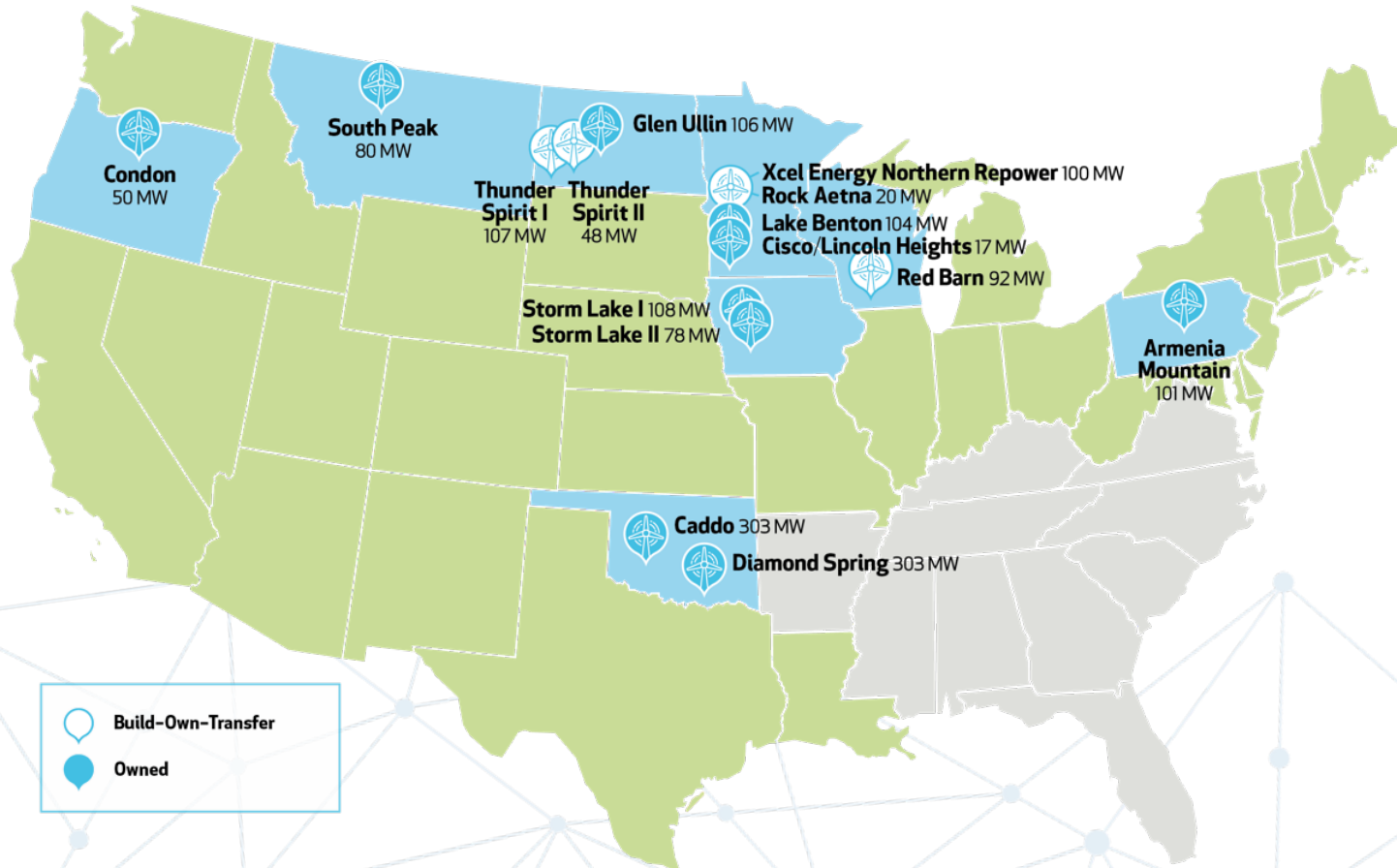
- Multiple geographic regions are being impacted by inflation, renewable penetration, congestion and delayed infrastructure builds
 - Diamond Spring and Caddo projects impacted by this congestion
 - Mitigation efforts to improve economics underway
- Maximize portfolio value
 - Optimization of legacy fleet (>400 MW)
 - Armenia
 - Condon
 - Lake Benton
 - Storm Lake
 - Pipeline execution of current projects
 - Northern Wind / Rock Aetna
 - Red Barn
 - Whitetail
 - Ruso



Favorable landscape supports ALLETE Clean Energy strategy:

- Strong industry growth through favorable customer sentiment and growing macro trends of ESG
- Continues to attract large amounts of capital and investor interest
- Benefits from supportive legislative policy

Strategically positioned as demands for clean energy accelerate



Existing platform optimization

- Recontract
- Repower
- Build transfer
- Partnerships
- Optimization of legacy fleet

Value drivers of various assets

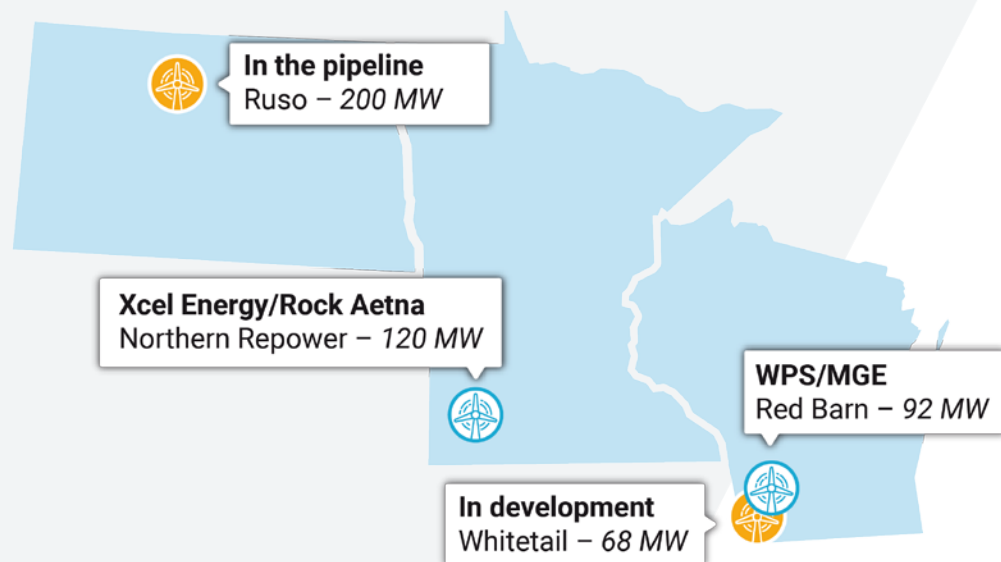
- Interconnection rights
- Landowner and customer relationships
- Project permits
- Multi-technology co-location potential
- Partnerships
- High quality wind resources

Owens and has built-transferred over 1,500 MW of operating/under construction capacity in five major energy markets across the U.S.
~4 million MWhs produced reducing carbon emissions by 1.7MMt → That's enough to power 218K homes' energy use for one year and equivalent to taking 373K cars off the road.

Expanding renewables pipeline provides customer solutions



Developing high quality long term ownership or build-transfer facilities.



- Adds new customers
- Supports customers' ESG objectives
- In development and pipeline of potential future projects
 - Whitetail project
~ 68 MW
 - Ruso project
~ 200 MW



Repowering Northern Wind / Rock Aetna

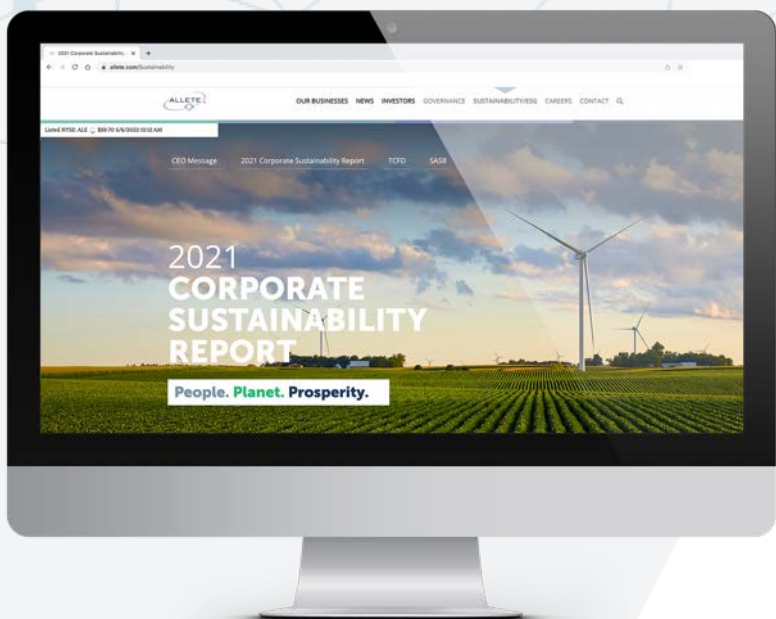
- 120 MW project size
- Leverages existing interconnection
- Project delivery in late 2022*



Building Red Barn

- Announced in May
- 92 MW project size
- Interconnection secured
- Project delivery in 2023*

* Sales subject to required regulatory and/or other customary approvals and permits



Find ESG Information at [ALLETE.com/Sustainability](https://www.allete.com/sustainability)

100% Carbon-Free Energy by 2050

mnpower.com/CarbonFreeEnergyVision

Environmental Stewardship
at Minnesota Power

mnpower.com/Environment

Serving Our Community

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APPENDIX

December 2022



Inflation Reduction Act: Additional considerations

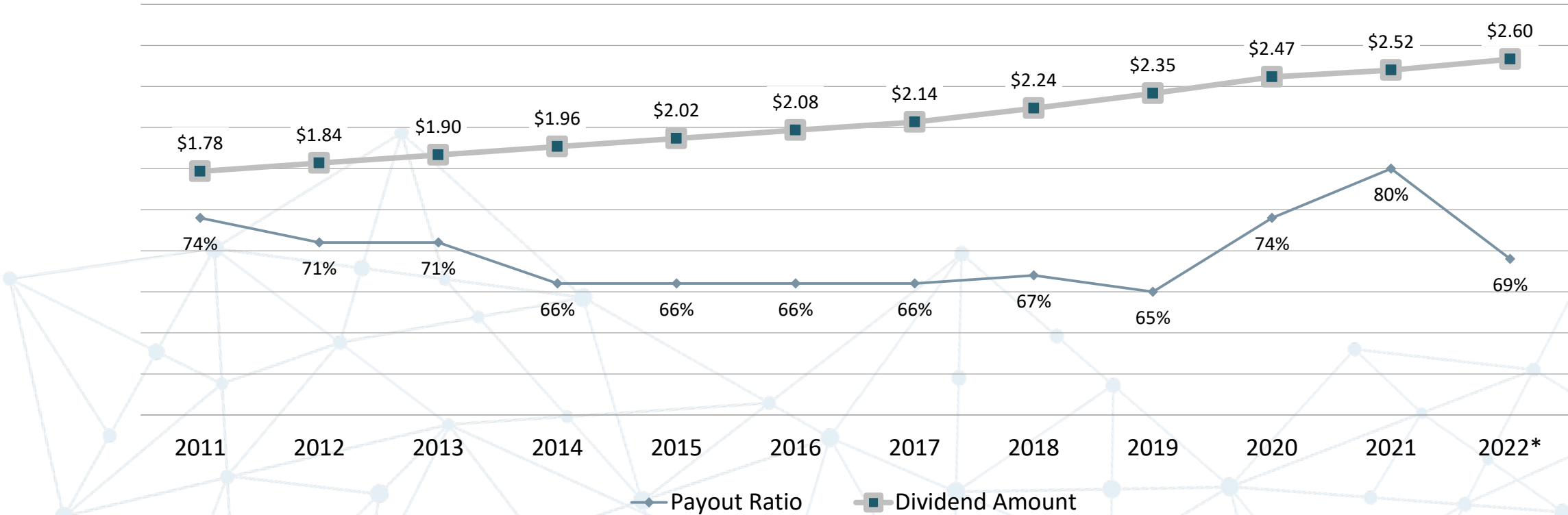
The IRA changed the way both PTCs/ITCs are calculated and certain labor requirements must be met for facilities placed in service after 2021 →
Waiting on final regulations from the IRS for much of the IRA.

- ✦ **Transferability:** ALLETE expects to sell credits at a small discount, with the gain/loss on sale as component of tax provision
- ✦ **Stock Buyback Tax:** Excise tax of 1% on stock repurchases starting in 2023.
= FMV of repurchased stock – FMV of issued stock during taxable year
- ALLETE businesses expect to take advantage of **IRA adders** where available, including:
 - **10% Domestic Content** – 100% US made iron & steel; 40% (prior to 2025) up to 55% (after 2026) of manufactured products in project must be made in the US
 - **10% Energy Community** – “brownfield site”, area or adjoining tract with recently closed coal facility (>2009), or an area with certain percentage of workers in oil, gas, coal, higher unemployment than national average
 - **10%-20% Low-Income Community** – facilities placed in service in connection with low-income community
 - ITC only, for projects < 5MW and requires allocation from the IRS

ALLETE anticipates long-term dividend growth

In February of 2022, the ALLETE Board of Directors increased the annualized common stock dividend from \$2.52 to \$2.60 per share.

ALLETE has paid common stock dividends consecutively since 1950.



*based on midpoint of 2022 earnings guidance

ALLETE will maintain its financial discipline as it executes on its strategy

Financial Discipline in Action

- ✓ ALLETE companies carry appropriate capital structures to support consolidated investment grade credit ratings
- ✓ Maintain a solid investment grade credit rating
- ✓ 60-70% dividend payout ratio
- ✓ Business segments must achieve their targeted rates of return and support the dividend

Credit Ratings

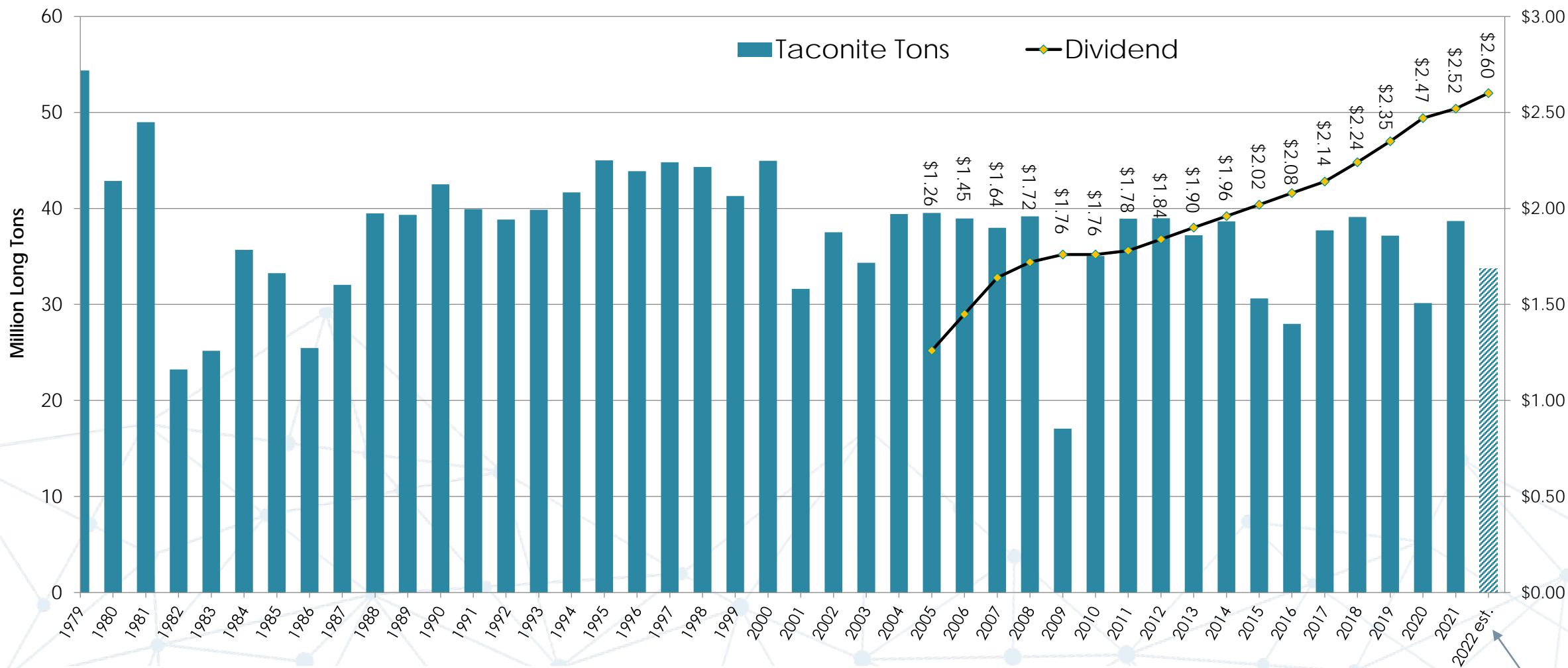
	Issuer Credit Rating	Commercial Paper	First Mortgage Bonds
S&P Global Ratings	BBB	A-2	N/A
Moody's	Baa1	P-2	A2

Debt to Capital Ratio = 37%*

* As of 9/30/2022

Regulated, contracted or recurring revenues are consistent with our risk profile and business investment thesis

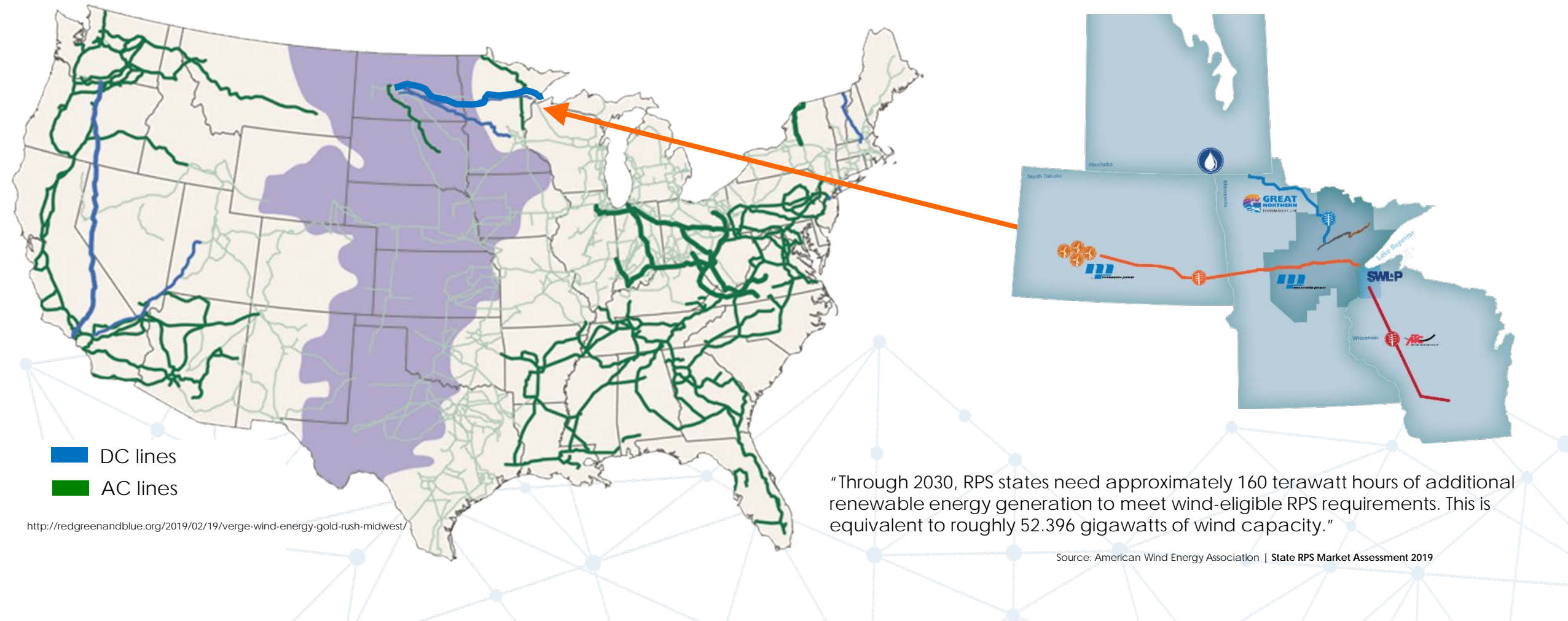
Dividend growth through business cycles



Actual taconite tons are from the MN Department of Revenue reports on taxable production.

Based on original guidance

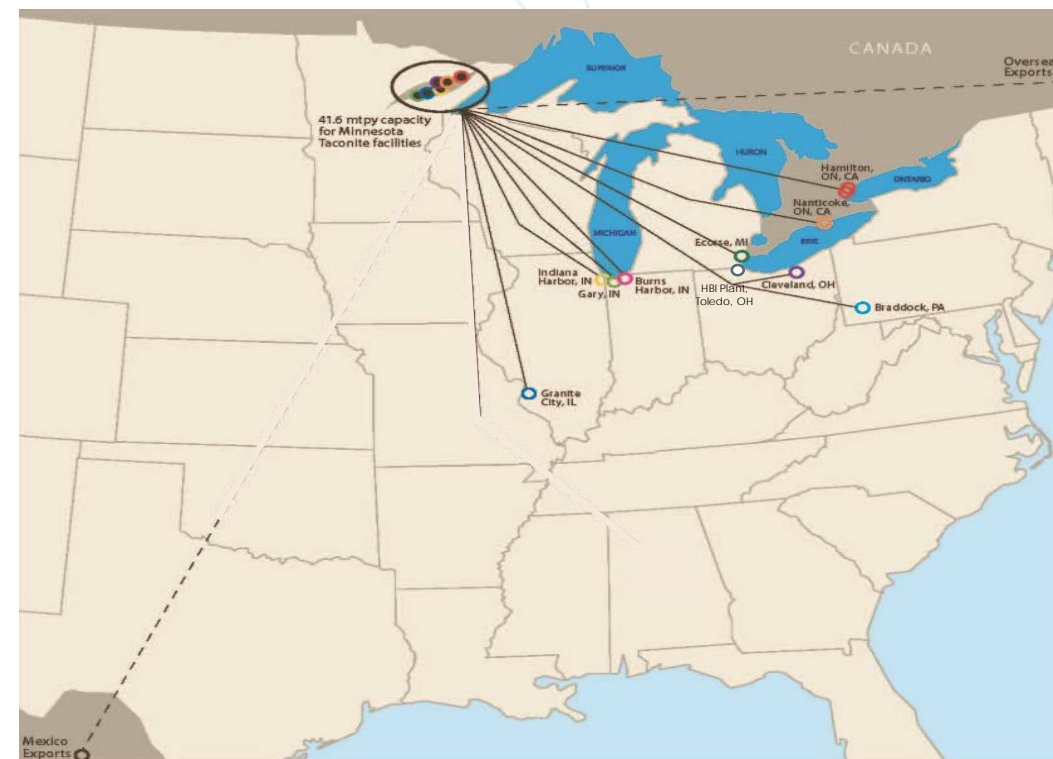
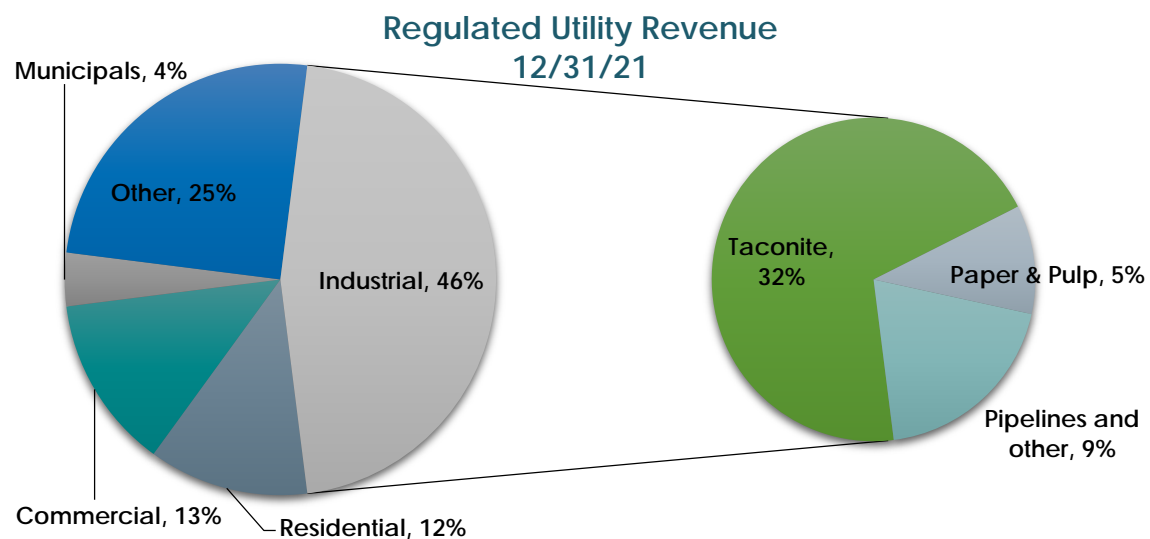
DC transmission system upgrades – Enables significant potential growth



Domestic steel industry is highly dependent on Minnesota taconite

Taconite mine	Approximate Annual Capacity (million tons)
Hibbing Taconite Co.	8.0
Cliffs – United Taconite, LLC	5.2
– NorthShore Mining	5.7
– Minorca Mine	2.6
USS Corp. – Keewatin	5.2
– Minntac	14.7
Total annual capacity	41.4

1M ton change = ~4 cents/share



Traditional shipping destination points of Minnesota taconite.

Sustainability of the American Steel Industry



Vital to U.S. economy

- >\$520 billion in economic output and nearly 2 million jobs



Steel is most recyclable material on the planet

- Recycling steel reduces GHG emissions: Single car recycled = consuming more than 300 gallons of gasoline, Single refrigerator recycled reduces GHG emissions by 225 pounds of CO₂



American steel industry is cleanest and most energy-efficient of leading steel industries in the world

- Of the 7 largest steel producing countries, the U.S. has the lowest CO₂ emissions per ton of steel produced and lowest energy intensity, due to high percentage of steel made from recycling scrap, the use of domestically-sourced iron ore pellets, and the increasing use of natural gas in place of coal and coke to make iron and steel with lower emissions



Steel is critical in continued development of clean energy technologies

- Vital to industries like solar power, biofuels, wind energy, green construction, low-carbon transportation, sea-water purification and surgical equipment



Steel products can help reduce energy consumption and CO₂ emissions throughout the economy

- Helps auto manufacturers by increasing fuel economy and emissions, and vital in infrastructure construction; bridges, roadways, guidrails, and utility structures



Committed to strong safety standards

- Reduced workplace incidents significantly over time

