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(NYSE: ALE) Minnesota Power announces 200 MW wind addition as part of its EnergyForward plan

Bison 4 clears way to meet Minnesota's 25% by 2025 renewable standard

Duluth, Minn.-Minnesota Power, a division of ALLETE (NYSE:ALE), plans to begin construction this year on a 200-megawatt expansion of its Bison wind project that will deliver more economical, carbon-free energy to customers while substantially meeting Minnesota's renewable energy standard of 25 percent renewable energy by 2025. The project will be the single largest wind addition to the company's fleet.

Bison 4 will increase the company's wind portfolio by more than 50 percent to more than 600 megawatts of wind generation. Construction on phase 4 of the Bison Wind Energy Center, anticipated to begin in the fourth quarter this year, will add 64 more wind turbines to the 101 turbines Minnesota Power has installed since 2010 near New Salem, N.D. Estimated to be operational by the end of 2014, the project will generate enough energy to power 92,000 homes.

"We've found a way to meet the state of Minnesota's renewable energy standard early and reduce costs at the same time," said Al Hodnik, chairman, president and CEO of ALLETE. "Expanding Bison will add to our renewable energy supply, resulting in the lowest cost resource over time by capturing the benefits of the extended production tax credit and a competitive turbine market, while executing ALLETE's growth strategy."

Adding more wind to its generation mix is a key component of the company's *EnergyForward* plan for a less emission-intense energy supply. As part of the company's resource evaluation, it solicited requests for wind power proposals in the spring of 2013. Bison 4 was selected as the lowest cost project.

"Investing in wind now makes economic and environmental sense and reflects our commitment to transform our nation's energy supply and meet state environmental goals while helping to ensure the reliable and affordable power our customers expect," Hodnik said. "The Bison expansion also moves us closer to achieving a more diverse energy mix of one-third renewable, one-third coal and one-third natural gas."

The wind farm expansion will make Minnesota Power's Bison project, with about 500 megawatts of capacity, the largest single wind energy center in North Dakota. Minnesota Power has optioned more than 50,000 more acres in North Dakota to accommodate the expansion. The company now has landowner relationships representing more than 130,000 acres across the growing Bison footprint. Renewable energy generated by the Bison project is transmitted to Minnesota Power's Arrowhead Substation near Duluth over a 465-mile direct current transmission line the company acquired in 2009.

Estimated to cost approximately \$345 million, Bison 4 will be constructed in Oliver County, N.D., north and west of the project's first three phases currently in operation. The expansion will include a new substation and approximately 11 miles of a 230-kilovolt transmission line.

Minnesota's renewable energy standard requires that utilities generate 25 percent of their power from renewable energy by 2025. The company anticipates that renewable wind, biomass, and hydro energy will account for approximately 25 percent of its projected electric sales following Bison 4's first full year of operation in 2015.

The project is dependent upon regulatory approvals in North Dakota and Minnesota. Minnesota Power has filed a site permit application with North Dakota regulators and intends to submit a request to the Minnesota Public Utilities Commission for project approval and cost recovery through a renewable energy rider on customer bills.

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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