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Contact: Amy Rutledge
Manager - Corporate Communications
218-723-7400
arutledge@allete.com

NEWS

ALLETE Clean Energy to sell repowered wind site to Xcel Energy

Upgraded southwest Minnesota project will increase amount of low-cost carbon-free electricity

Duluth, Minn. — ALLETE Clean Energy, a wholly owned subsidiary of ALLETE Inc. (NYSE: ALE), will repower and expand the Northern Wind site, consisting of the Chanarambie and Viking wind projects in southwest Minnesota, by replacing the existing turbines with new, more efficient equipment. When repowered in 2022, the project, totaling 120 megawatts of capacity, will be sold to Xcel Energy.

The wind repowering project was spurred by the Minnesota Public Utilities Commission's request for projects that could help the economy recover from the COVID-19 pandemic and recession by putting people to work and increasing the amount of renewable energy customers receive, while also reducing costs over the life of the project. Installing new wind turbines at existing wind sites can increase electricity production by more than 10%, saving customers money over the next 25 years.

Adding new wind energy and repowering older wind sites will help Xcel Energy deliver on its plan to reduce carbon emissions by 80% by 2030, in pursuit of the company's vision to deliver 100% carbon-free electricity by 2050.

"We're proud to provide this valuable clean-energy solution for Xcel Energy and its customers," said ALLETE Clean Energy President Allan S. Rudeck Jr. "This project is the latest example of our strategy in action to advance sustainable energy solutions while investing in local communities. It is a four-part winner that will deliver more clean energy to decarbonize the nation's energy supply, contribute to more affordable electric rates for customers, and spur local employment and economic activity, all while providing an opportunity to reallocate capital into exciting, new and complementary clean energy growth opportunities."

"Xcel Energy is leading the clean energy transition while also developing projects that will help the economy recover from the COVID-19 pandemic," said Chris Clark, president, Xcel Energy-Minnesota, North Dakota, South Dakota. "Repowering older wind sites with new technology will save customers money, create more renewable energy, reduce carbon emissions, and move us closer to achieving our vision to deliver 100% carbon-free electricity to our customers."

ALLETE Clean Energy also recently completed a refurbishment project to improve performance and reliability at the nearby Lake Benton I wind site in southwest Minnesota, which sells energy to Xcel Energy under a long-term power purchase agreement.

Many productive wind sites in the Upper Midwest were built in the 1990s and early 2000s when the wind industry was still developing. Technology advances in the decades since have enabled wind turbines to capture more energy at the same wind speeds, increasing the amount of production and decreasing costs.

ALLETE Clean Energy strategy delivers sustainability for customers

“This Northern Wind repowering and expansion project is a prime example of ALLETE’s sustainability in action strategy on many levels,” said ALLETE President and CEO Bethany Owen. “At ALLETE, we believe true sustainability goes above and beyond the need to address climate change to include supporting the communities and people where we do business. This project meets our goals for true sustainability, while also supporting ALLETE’s future investments in clean energy projects and enabling our customers to achieve their sustainability objectives.”

The sale and redevelopment of the wind sites is pending regulatory approval. Xcel Energy plans to file the request to repower and purchase the project in mid-February.

ALLETE Clean Energy’s investment in wind turbines eligible for the safe harbor provision of federal production tax credits and strong local wind resource enable the competitive price of the project’s renewable energy. The Northern Wind project was submitted into Xcel Energy’s request for proposals earlier last year, and is now being submitted to the Minnesota Public Utilities Commission in a package of renewable energy projects to help the state economy recover from the COVID-19 pandemic.

ALLETE Clean Energy acquires, develops and operates clean and renewable energy projects and is well-positioned to drive additional clean-energy sector growth. ALLETE Clean Energy owns, operates, has in its development pipeline, under construction and has delivered build-transfer projects totaling more than 1,550 megawatts of nameplate wind capacity across seven states.

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; and has an 8 percent equity interest in the American Transmission Co. More information about ALLETE is available at 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. 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.

About Xcel Energy

Xcel Energy (NASDAQ: XEL) provides the energy that powers millions of homes and businesses across eight Western and Midwestern states. Headquartered in Minneapolis, the company is an industry leader in responsibly reducing carbon emissions and producing and delivering clean energy solutions from a variety of renewable sources at competitive prices. For more information, visit xcelenergy.com or follow us on Twitter and Facebook.

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