



NEWS

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ALLETE Clean Energy to build Montana wind energy facility to supply electricity to NorthWestern Energy under power sale agreement

Project will expand wind portfolio to more than 700 megawatts across six states

Duluth, Minn.— ALLETE Clean Energy, a wholly-owned subsidiary of ALLETE Inc. (NYSE: ALE), announced today it will construct, own and operate an 80-megawatt wind energy facility near Great Falls, Montana, that will supply electricity to NorthWestern Energy under a signed power sale agreement.

ALLETE Clean Energy acquired the South Peak project from Peak Clean Energy and will manage construction of the wind facility, scheduled to be online by late 2019. Energy from South Peak will be delivered to NorthWestern Energy customers through a 15-year power sale agreement.

“We’re excited to be working with our newest customer in NorthWestern Energy, and hope this project leads to more opportunities together in the future,” said ALLETE Clean Energy President Al Rudeck. “This expansion of our portfolio across the high-quality northern wind corridor demonstrates the power of our growth strategy which leverages our capabilities to build lasting partnerships that advance, construct and operate renewable facilities across North America. We are excited to establish a positive and lasting relationship with the state of Montana, the local community and landowners as part of the South Peak project.”

The South Peak project will utilize GE wind turbines and will be built adjacent to NorthWestern Energy’s existing Spion Kop wind facility. It will deliver energy via a direct connection to NorthWestern’s transmission grid, and has landowner agreements and design elements in place.

“We are delighted that ALLETE Clean Energy has selected GE’s advanced technology 2.X MW platform for this project, along with a 15-year servicing agreement,” said Pete McCabe, President and CEO of GE’s Onshore Wind Business. “ALLETE shares our unwavering commitment to renewable energy, and this is another great example of how we can work together to deliver affordable, sustainable power to communities across the U.S.”

To qualify for federal renewable energy production tax credits, the project will utilize a share of wind turbines ALLETE Clean Energy purchased in 2016 that meet the standards for the production tax credit “safe harbor” provision. The safe harbor turbine investment allows ALLETE Clean Energy to pursue its three-pronged production tax credit strategy that includes building and operating new wind farms based on long-term power sale agreements, building wind farms for other companies through a build-transfer structure, and refurbishing existing wind farms while extending power sale agreements.

“ALLETE recently raised its average annual earnings per share growth outlook, and a big reason for that is the solid performance of ALLETE Clean Energy,” said ALLETE Chairman, President and CEO Alan Hodnik. “The investment in safe harbor turbines, along with ALLETE Clean Energy’s rising status and reputation as a solid wind project developer and operator, have led to a steady stream of new partnerships and projects. With more untapped safe harbor capacity and the continued interest in renewable wind energy within the industry, ALLETE Clean Energy’s deal pipeline remains robust as it answers the call to transform the nation’s energy landscape.”

In addition to developing this new project with NorthWestern Energy, ALLETE Clean Energy in 2017 announced it will build, own and operate a 106-megawatt wind energy facility in Morton and Mercer counties in North Dakota that will supply electricity to Northern States Power, and will develop the Thunder Spirit II wind farm expansion near Hettinger, North Dakota, for Montana-Dakota Utilities, which recently exercised its option to purchase the expansion project. Construction on both projects will begin in 2018. ALLETE Clean Energy also operates a total of six wind generation facilities in Minnesota, Iowa, Oregon and Pennsylvania with existing power sale agreements.

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

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. 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.

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