



For Release: May 17, 2017

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NEWS

Second 2017 shipment of ALLETE Clean Energy turbine parts arrives \$100 million investment accelerates company's growth strategy

Duluth, Minn.— The second of three shipments of ALLETE Clean Energy's Nordex wind turbine components arrived in Duluth on Wednesday as the vessel Muntgracht steamed under the Aerial Lift Bridge.

The Muntgracht carried six nacelles, six hubs, six drive trains and six sets of blades delivered from Rostock, Germany. The shipment is part of ALLETE Clean Energy's \$100 million investment in wind turbines that qualify for the federal tax credit "safe harbor" provision, meaning sites where a portion of them are used will qualify for renewable energy production tax credits.

The safe harbor turbines allow ALLETE Clean Energy to pursue its three-pronged tax credit strategy that includes building and operating new wind farms based on long-term power purchase agreements, building wind farms for other companies for a development fee or a sale price, and refurbishing its existing wind farms while extending power sales agreements.

Some of the 16 safe harbor turbines may be installed at the up to 50-megawatt wind farm ALLETE Clean Energy will build in North Dakota under a signed power purchase agreement and sale option for Montana Dakota Utilities. Construction there is expected to begin in 2018.

"This is an exciting time for ALLETE Clean Energy as the safe harbor hardware arrives and we can see our growth strategy take shape," said Al Rudeck Jr., president of ALLETE Clean Energy. "This delivery also is an example of how our renewable energy investment supports jobs in manufacturing, shipping, warehousing, ground transportation and construction, not only in Duluth and North Dakota but across the globe."

The first of the three shipments arrived in Duluth on April 27. The Marsgracht carried 10 nacelles, 10 hubs, 10 drive trains, 16 bottom boxes and 10 sets of blades also delivered from Rostock.

The third shipment will deliver 16 wind turbine towers from Indonesia and is expected in Duluth in late summer to early fall.

The components will be unloaded and stored at the Clure Public Marine Terminal, owned by the Duluth Seaway Port Authority and operated by Lake Superior Warehousing Co.

Photo caption: The Muntgracht arrived in the Port of Duluth on Tuesday, May 16, carrying six nacelles, six hubs, six drive trains and six sets of blades for ALLETE Clean Energy delivered from Rostock, Germany.

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.

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. 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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