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NEWS

ALLETE Clean Energy's Diamond Spring wind project will provide renewable energy to large corporate customers including Smithfield Foods and Walmart

Duluth, Minn.— ALLETE Clean Energy, a wholly owned subsidiary of ALLETE (NYSE: ALE), announced today a power sales agreement with [Smithfield Foods, Inc.](#) for the remaining output of the Diamond Spring wind site ALLETE Clean Energy will build, own and operate in Oklahoma.

The Smithfield agreement follows an earlier announcement of power sale agreements with two large Fortune 500 companies, Walmart and Starbucks. Walmart has agreed to purchase 175 megawatts for 15 years, Smithfield will purchase 75 megawatts for 12 years, and Starbucks will purchase 50 megawatts for 15 years. The approximately 300-megawatt Diamond Spring site, which is ALLETE Clean Energy's first project to sell wind power to corporate customers, is now fully contracted with the Smithfield agreement.

"ALLETE Clean Energy is proud to help these leading companies meet their greenhouse gas reduction and renewable energy goals through the carbon-free energy that will be generated at Diamond Spring," said ALLETE Clean Energy President Allan S. Rudeck Jr. "In addition to adding renewable energy to meet sustainability goals, these companies also seek to lower their energy costs. Our team delivers both, with a reputation for timely, responsible and cost-effective project execution. Directly serving the corporate and industrial power market is opening new growth opportunities for ALLETE Clean Energy."

Diamond Spring will be ALLETE Clean Energy's largest wind site when operations begin in 2020. ALLETE Clean Energy will begin construction late this year or in early 2020. Diamond Spring will produce enough power for 114,000 homes, and increase the company's total wind capacity to more than 1,000 megawatts at nine sites in seven states.

ALLETE Clean Energy purchased a 100 percent interest in the Diamond Spring wind site from the project's developer, Apex Clean Energy. The purchase included negotiated power sales agreements with Walmart, Starbucks and Smithfield.

Corporate and industrial customers represent a growing market for independent power producers as companies embrace sustainability goals.

Smithfield, a \$15 billion global food company and the world's largest hog producer and pork processor, announced a goal in 2016 to reduce greenhouse gas (GHG) emissions 25 percent by 2025. To help reach that goal, the company created [Smithfield Renewables](#), a platform that unifies and accelerates the company's carbon reduction and renewable energy efforts.

“This partnership to source renewable energy is part of our multifaceted and comprehensive approach to reduce our carbon footprint,” said Kraig Westerbeek, senior director of Smithfield Renewables and hog production environmental affairs at Smithfield. “The carbon-free energy generated through the Diamond Spring project is projected to account for more than 15 percent of our total energy usage across the United States, allowing us to power a substantial portion of our operations using sustainable energy.”

Walmart has committed to cover 50 percent of its energy needs with renewable sources by 2025 as it works toward an ultimate goal of operating with 100 percent renewable energy.

“Walmart aspires to be supplied by 100 percent renewable energy and sourcing from wind energy projects — like the Diamond Spring Wind Facility — is a core component in the mix,” said Mark Vanderhelm, Vice President of Energy for Walmart Inc. “The energy we’ll procure from this facility represents an important leap forward on our renewable energy journey and reinforces Walmart’s broader mission to spark collective action — alongside key partners — to drive environmental sustainability.”

“When Diamond Spring comes online in 2020, it will serve three new corporate customers and deliver meaningful earnings growth for ALLETE shareholders,” said ALLETE Chairman and CEO Alan R. Hodnik. “ALLETE Clean Energy continues to help achieve ALLETE’s shared purpose to answer the call to transform the nation’s energy landscape.”

ALLETE Clean Energy’s strategic purchase of wind turbines that qualify for the safe harbor provision of federal production tax credits enables Diamond Spring’s low energy costs. In addition to turbines to be installed at Diamond Spring, ALLETE Clean Energy retains more safe harbor turbines for additional wind site development.

ALLETE Clean Energy acquires, develops and operates clean and renewable energy projects. ALLETE Clean Energy currently owns and operates, in four states, approximately 555 megawatts of nameplate capacity wind energy generation that is contracted under PSAs of various durations. The company has another 489 megawatts of new wind projects under construction in three states under long term PSA’s. ALLETE Clean Energy also engages in the development of wind energy facilities to operate under long-term PSAs or for sale to others upon completion.

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.

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