



For Release: December 18, 2014

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NEWS

ALLETE Clean Energy expands wind portfolio with acquisition of Iowa facility

Duluth, Minn. — ALLETE Clean Energy has finalized the acquisition of a wind generation facility in Storm Lake, Iowa, adding another 108 megawatts (MW) to its growing renewable energy portfolio.

The wholly-owned subsidiary of ALLETE (NYSE: ALE) paid \$15 million to NRG Energy to acquire Storm Lake 1, which is adjacent to Storm Lake 2, a 78MW wind farm purchased by ALLETE Clean Energy earlier this year.

Both Storm Lake installations use 750 kilowatt (kW) Zond turbines and are adjacent to each other in northwest Iowa. Storm Lake 2, acquired by ACE in a deal that closed in January 2014 includes 104 wind turbines; Storm Lake 1 consists of 144 turbines.

“This acquisition creates immediate efficiencies with our first Storm Lake purchase, and it complements our expanding wind fleet,” said ALLETE Clean Energy President Eric Norberg. “This project furthers ALLETE growth in the expanding clean energy field.” Norberg expects the acquisition of Storm Lake 1 will be accretive to ALLETE’s earnings in 2015.

The Storm Lake 1 and 2 wind farms will share an operations and maintenance facility, and both are operating under power sales agreements that extend another five years, Norberg said. On January 30, 2014, ALLETE Clean Energy closed on the purchase of companies that own Storm Lake 2 and wind energy facilities located in Lake Benton, Minn., and Condon, Ore., with a total output of about 231MW of power. ACE acquired ownership of the three wind farms from the AES Corp. for \$26.9 million, and also has an option to acquire from AES a 101MW wind farm in Pennsylvania.

ALLETE Clean Energy announced on November 24, 2014 that it had acquired the rights to develop a 107MW wind farm near Hettinger, N.D. and upon project completion sell it to Montana Dakota Utilities for approximately \$200 million, subject to regulatory approval. Electric generation from this project, the first wind energy facility to be developed and built by ALLETE Clean Energy, will be used by MDU’s utility customers.

“We are very pleased with the quality of the projects undertaken by ALLETE Clean Energy,” said ALLETE Chairman, President and CEO Al Hodnik. “They are building upon our corporate strategy that emphasizes energy-centric earnings growth in a marketplace undergoing transformation.”

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, Minn. ALLETE’s energy businesses include Minnesota Power, Superior Water, Light & Power Co., BNI Coal, and ALLETE Clean Energy. More information about the company 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. 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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