

NEWS

Minnesota Power shapes a future with less coal and more renewables in plan filed with state regulators

Duluth, Minn.— In its 2015 Integrated Resource Plan filed today with state regulators, Minnesota Power, a division of ALLETE, Inc. (NYSE: ALE), explains how its EnergyForward resource strategy will continue to reshape the company's power supply through 2029. The strategy, which was developed in 2013, relies less on coal and more on renewable energy sources while emphasizing reliability, conservation, continuing to reduce emissions and minimizing costs.

The nearly 500-page resource plan, required by the Minnesota Public Utilities Commission (MPUC) every two years, explains how the Duluth-based utility will supply customers with a safe, reliable, and affordable power supply while further improving environmental performance, further reducing emissions, sustaining the company's high-quality energy conservation program and adding more renewables in the near-term and new natural gas generation in the long-term. The company is forecasting modest load growth for its customers in the next 15 years with over 200 megawatts of additional load by 2029.

In its detailed plan, Minnesota Power explains how it will position itself for compliance with the Environmental Protection Agency's recently released Clean Power Plan. The company expects a 30 percent reduction in carbon emissions by 2025, from 2005 levels, with the short and long-term action plans proposed. Components of the plan include:

- Economic idling of the company's Taconite Harbor Energy Center in the fall of 2016 and ceasing coal operations there in 2020.
- Expanding renewables through delivery of 383 megawatts of carbon-free hydropower from Manitoba Hydro via the company's planned 500-kilovolt Great Northern Transmission Line.
- Adding 200-300 megawatts of clean and flexible natural gas generation to the company's portfolio within the next decade.
- Advancing both large- and small-scale solar generation additions.
- Expanding the potential for additional energy efficiency savings.

The company has also made significant investments in its power plants to reduce mercury, NO_x, and SO₂ emissions and increase efficiencies. A project underway at Boswell 4, the largest unit in Minnesota Power's fleet, will result in a 90 percent reduction in mercury emissions.

"Our Resource Plan offers a detailed explanation of how we will balance our resource mix to preserve environmental quality without sacrificing affordability and reliability," said Dave McMillan, Minnesota Power Executive Vice President. "It clearly demonstrates that the EnergyForward strategy we undertook a few years ago is already meeting goals and reshaping the fundamentals of our energy production and delivery."

Minnesota Power is aiming for an energy mix of approximately one-third renewable resources, one-third natural gas and one-third coal for its long-term position. Diversification of the company's generation fleet is well underway, with much of the progress attributed to the addition of 625 megawatts of new wind capacity and power purchase agreements with Manitoba Hydro.

Minnesota Power is also subject to Minnesota's Renewable Energy Standard (RES), which requires 25 percent of its retail electric sales to be generated by eligible energy technologies by 2025. Between 2006 and 2015, Minnesota Power surpassed the RES with approximately 26 percent of its projected retail and wholesale electric sales from Minnesota-eligible renewable energy sources. As part of this 2015 Integrated Resource Plan, Minnesota Power has outlined a path to meet the state's Solar Energy Standard by 2020. The company has also advanced its customer solar strategy and outreach.

Minnesota Power has remained a state leader in customer-based energy conservation. Under its Conservation Improvement Program, Minnesota Power has far exceeded the state's 1.5 percent energy savings goal the last two years.

To view the company's IRP, [click here](#) or visit the Minnesota Public Utilities Commission [website](#). Minnesota Power provides electric service within a 26,000-square-mile area in northeastern Minnesota, supporting comfort, security and quality of life for 144,000 customers, 16 municipalities and some of the largest industrial customers in the United States. More information can be found at www.mnpower.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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