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NEWS

Minnesota Power announces addition of 105 Megawatts of cost-effective wind energy to its renewable portfolio

Minnesota Power, an ALLETE Company (NYSE: ALE), announces the expansion of its wind energy development in North Dakota by 105 Megawatts (MW) in 2012, taking advantage of cost-effective transmission access, tax credits, and premier wind resources.

The Company submitted plans to the Minnesota Public Utilities Commission (MPUC) this week, to construct a second wind project, consisting of 35 wind turbines in Oliver and Morton counties in central North Dakota. The \$157 million project will help move Minnesota Power closer to meeting Minnesota's Renewable Energy Standard of achieving 25 percent renewable energy by 2025.

"The timing is fortunate for expanding our renewable energy production," said ALLETE President & CEO Alan R. Hodnik. "Development of Bison 2 will leverage substantial investments we've already made in North Dakota and take advantage of the federal Production Tax Credit and a very competitive wind turbine market."

"Bison 2 will be very economical for our customers," Hodnik added. "This project is an example of our larger strategy of meeting the demands of a changing energy landscape, reducing our overall reliance on fossil fuels, and making effective use of existing transmission capacity."

Minnesota Power purchased a high voltage Direct Current transmission line (the "DC line") in December of 2009 that runs between the Square Butte Substation in Center, N.D. and Minnesota Power's Arrowhead Substation near Duluth. The DC line is being used to move renewable energy from wind-rich North Dakota eastward, including to the company's service area. It already brings wind energy from the first phase of Bison 1, the Company's initial commercial wind energy facility in North Dakota. The DC line is also used to deliver wind energy which Minnesota Power purchases from the Oliver I and II Wind Energy Centers, constructed near Center, N.D. in 2006 and 2007.

Bison 2 is expected to be online in 2012, and will use state of the art direct-drive 3MW Siemens turbines like those being installed this year at Bison 1. The second phase of Bison 1 is scheduled to be completed this year.

The filing with the MPUC will have no effect on Minnesota Power's base electric rates. However, it seeks current cost recovery eligibility that, if approved, would allow Minnesota Power to recover costs under its Renewable Resources Rider. The project is bringing competitively priced energy that will in the near term reduce customers' costs.

The company plans to file a site permit application with the North Dakota Public Service Commission in April.

Minnesota Power provides retail electric service within a 26,000-square-mile area in northeastern Minnesota to 144,000 customers and wholesale electric service to 16 municipalities. 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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