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NEWS

Minnesota Power seeks proposals for large-scale wind, solar energy, and customer-driven resources

Duluth, Minn. – Minnesota Power today is releasing the first in a series of Requests for Proposals as part of the company's broad resource evaluation process to further its EnergyForward strategy. EnergyForward calls for a diversified power supply to meet customers' needs reliably and cost effectively in an environmentally responsible manner. Minnesota Power will consider the costs and characteristics of the proposals received and analyze whether they are beneficial resource additions for its customers.

In approving Minnesota Power's integrated resource plan in June, the Minnesota Public Utilities Commission asked the company to consider additional wind, solar and demand-side management alternatives as part of its ongoing resource evaluation process.

In the initial Request for Proposal, Minnesota Power, a division of ALLETE Inc. (NYSE:ALE), is seeking power supply proposals for up to 300 megawatts of wind generation beyond the 625 megawatts of wind it has on its system. The company seeks to purchase low-cost renewable energy that fully maximizes the benefits of the extended Federal Production Tax Credit (PTC) for wind projects on behalf of its customers. This wind power would be purchased under a long-term power purchase agreement subject to regulatory approvals. A copy of the RFP and additional details are available at <http://rfp.mnpower.com>. Proposals are due by Sept. 7, 2016.

Over the next several weeks, Minnesota Power also will issue formal Requests for Proposals for:

- Solar generation. Minnesota Power will be seeking economic power supply proposals for up to 300 MW of utility scale solar generation that qualifies under Minnesota's Solar Energy Standard. The company seeks to maximize the benefits of the extended Federal Investment Tax Credit (ITC) for solar energy on behalf of its customers.
- Demand response and customer self-generation. Minnesota Power will be seeking customer and utility scale demand response and onsite generation resources to be considered for optimizing within its power supply portfolio.

More information and the ability to sign up for RFP notifications on any of the options can be found at <http://rfp.mnpower.com>.

Through its EnergyForward resource strategy, Minnesota Power has been transforming its energy supply to a more balanced mix that relies less on coal and more on renewable energy sources while continuing to deliver safe, reliable and affordable electric service. The company met Minnesota's Renewable Energy Standard, which requires 25 percent of retail sales to be generated by renewable energy by 2025, a decade early. By 2015, 26 percent of Minnesota Power's retail and wholesale electric sales were from renewable energy sources.

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. (ALE-ENRG)

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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