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## **ALLETE CEO Describes Growing North American Footprint at Annual Meeting of Shareholders**

DULUTH, Minn.--(BUSINESS WIRE)-- ALLETE Inc. (NYSE:ALE) has significantly expanded its North American footprint while continuing to focus on providing sustainable energy and water solutions, company investors heard today at the Duluth-based energy company's 2017 Annual Meeting of Shareholders.

About 700 people attended the 2017 Annual Meeting at the Duluth Entertainment Convention Center on Tuesday, where they re-elected 10 directors, approved compensation-related resolutions and ratified the selection of ALLETE's accounting firm. After conducting business, they heard from Al Hodnik, ALLETE's chairman, president and CEO, and three company presidents.

"Through a well-thought-out, energy-centric strategy, ALLETE has expanded its reach across North America, including an initiative that will balance carbon-free wind and water power for a cleaner energy future in North America," Hodnik said. "ALLETE now operates across the nation, with energy and industrial water treatment customers or facilities in 49 states."

Hodnik said ALLETE and its energy companies have grown significantly while transforming the nation's energy and water landscapes.

He reported ALLETE earned \$3.14 per share in 2016 on net income that was up 10 percent over 2015, and ALLETE's market capitalization is now about \$3.5 billion, up from \$2.7 billion at this time in 2016.

The company's board of directors recently increased the dividend 3 percent to \$2.14 per share on an annual basis, and Hodnik said the company's three-year total shareholder return through the end of 2016 was 44.4 percent.

"ALLETE's enduring financial success is forged from its renewable roots, fueled by partnerships and an entrepreneurial spirit, and guided by core values and a balanced stakeholder view," Hodnik said. "It is our view that rising societal expectations for even cleaner energy and water forms into the future will drive the long-term need for the sustainable solutions offered by ALLETE's companies."

Hodnik pointed to Minnesota Power, ALLETE's largest business, as it continues to pursue its EnergyForward strategy designed to modernize and diversify its energy mix at two-thirds renewables and renewable-enabling natural gas and one-third environmentally compliant baseload coal.

Brad Oachs, senior vice president of ALLETE and president of regulated operations, outlined the Great Northern renewable energy initiative. When complete in 2020 as the Great Northern Transmission Line makes an international connection at the Canadian border, it will reduce Minnesota Power's carbon emissions by 33 percent over 2005 levels and put the company's power supply at nearly 40 percent renewable energy by delivering carbon-free hydropower from Manitoba.

"Even though EnergyForward paces Minnesota Power ahead of state standards, we continue to seek renewable opportunities," he said. "Natural gas enhances integration of renewables, and we also expect to add natural gas generation to our system and explore new wind and solar possibilities as we further reduce our carbon footprint."

Along with the shift toward renewables, the company says there is a shift among customers who want more control over how their energy is used and produced. Deb Amberg, ALLETE senior vice president, chief strategy officer of regulated operations and president of Superior Water, Light and Power, said ALLETE's companies are leading this trend of providing "your energy, your way."

Through the installation of smart meters and new web portals where customers can check their energy use and conservation programs, the companies are helping customers gain more control over their bills, Amberg said. An increase in rebates available for small-scale home and business solar system installations also helps customers make the switch to their own generation.

"Our goal is to exceed customer expectations, to find ways to delight them and leave them with a positive impression," she

said.

ALLETE Clean Energy President Al Rudeck Jr. said his company operates in a growing market for wind power. In six years, he said, the company has grown to own and operate six wind facilities across the nation that generate more than 500 megawatts of power, and has become ALLETE's second-largest net income source.

ALLETE Clean Energy's multipronged growth strategy is taking shape as wind turbine components arrive in the Port of Duluth-Superior this year. Qualified for federal production tax credit "safe harbor" provisions, the turbines give the company the pricing power to develop more wind power capacity over the next four years.

A portion of these turbines could be placed at the 100-megawatt wind facility that ALLETE Clean Energy will build in North Dakota starting in 2018 to supply electricity to Xcel Energy under a 20-year power purchase agreement, subject to regulatory approval. ALLETE Clean Energy also recently announced it will expand by up to 50 megawatts the Thunder Spirit wind farm in North Dakota for Montana-Dakota Utilities, which has an option to purchase the expansion as it did with the first phase of Thunder Spirit.

"The safe harbor turbines have improved our already strong project prospects and connected ALLETE Clean Energy with new industry partners nationwide," Rudeck said. "I'm excited about ALLETE Clean Energy's promising future, and proud to be expanding emission-free energy and transforming the nation's energy landscape."

ALLETE shareholders, voting by proxy, elected to new terms current directors Kathryn W. Dindo, Sidney W. Emery Jr., George G. Goldfarb, James S. Haines Jr., Alan R. Hodnik, James J. Hoolihan, Heidi E. Jimmerson, Madeleine W. Ludlow, Douglas C. Neve and Leonard C. Rodman. The Don Shippar Community Service Award, given annually, was presented to lineworker Josh Athman for his volunteer efforts with first responders in the Pierz-Little Falls area.

"Whether internationally, nationally or locally right here in the region, ALLETE is well-positioned to grow," Hodnik said to shareholders in conclusion. "Guided by a strong and diverse board and fueled by 2,000 talented individuals working synergistically with each other, your investment in ALLETE continues to be rewarded and remains in good hands."

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; U.S. Water Services in St. Michael, Minnesota; and has an 8 percent equity interest in the American Transmission Co. More information about ALLETE is available at [www.allete.com](http://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. 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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