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NEWS

Laskin Energy Center conversion to natural gas advances EnergyForward

HOYT LAKES, Minn. -- Minnesota Power, a division of ALLETE (NYSE:ALE), has taken another step ahead in its EnergyForward resource strategy by converting its Laskin Energy Center from coal generation to natural gas.

Laskin generating units one and two completed commissioning and began creating electricity fueled by natural gas on June 16 and June 3, respectively.

The power plant's two 55-megawatt coal-fired generating units were taken offline for the conversion in early March, about two weeks after the Laskin station received its last trainload of coal. As a natural gas "peaking plant," Laskin will not operate 24/7 as it once did, but will instead generate power when demand and economics dictate, serving as a capacity resource and providing an important price hedge for customers.

Construction of a new natural gas pipe that extends about a mile to the facility from a Northern Natural Gas line was begun last September. Work inside Laskin, which started in March of this year, involved replacing the old coal burners with new natural gas burners and installing new electronic controls. Participating contractors included the Jamar Company, Hunt Electric, TKDA, and Lakehead Constructors.

At a rededication event in Hoyt Lakes today, ALLETE Chairman, President and CEO Al Hodnik – a former plant manager at Laskin – said the conversion to cleaner-burning natural gas is an important part of the company's plan to preserve affordable power while satisfying ever more stringent environmental regulations.

"Laskin is a symbol, not only of our ongoing efforts to produce clean energy for a reasonable price, but a symbol of our regional economy," Hodnik said. "Laskin is named for a man who recognized our region's respect for the environment. It was built for the needs of our natural resource-based economy. It has served us well, and will continue to do so."

An integral part of the rededication event included a community service project to restore a historic Civilian Conservation Corps-era project, the Steven Chambers Pavilion across Colby Lake from the Laskin facility. It was built by the Partridge River Civilian Conservation Corps between 1936-1942. Minnesota Power, Lakehead Constructors, the City of Hoyt Lakes and many local volunteers partnered to restore the pavilion by installing a new roof, replacing deteriorated logs, staining the pavilion and improving access to Colby Lake. Steven Chambers has long been a site for community scouting trips, weekend camping and outdoor recreation.

Other speakers on the agenda included Hoyt Lakes Mayor Mark Skelton, Minnesota Power Vice President of Strategy and Planning Al Rudeck, Laskin Managing Superintendent Jodi Piekarski and

Lakehead Constructors CEO Brian Maki. Refreshments and tours of the Laskin Energy Center followed the ceremony.

Minnesota Power's EnergyForward resource strategy is a plan to meet the energy needs of its customers with a balanced energy mix that preserves reliability, protects affordability and improves environmental performance. The utility's goal is to balance its mix of generation resources at one-third renewable energy, one-third natural gas and one-third coal. The Laskin plant conversion was approved as part of Minnesota Power's 2013 resource plan by the Minnesota Public Utilities Commission.

In addition to being a key component of Minnesota Power's EnergyForward plan, the conversion of Laskin writes another chapter in an ongoing story of environmental improvement. Originally known as the Aurora Steam Station, the facility was commissioned in 1953, designed to serve the needs of an expanding taconite industry. Both generating units were updated in 1967 through boiler, control system, turbine, and generator upgrades. The facility was named after a former Minnesota Power purchasing agent, Sylvester Laskin, who rose to become CEO in 1969.

In the 1960s and 70s, a growing environmental consciousness brought in the Clean Air and Clean Water acts. Minnesota Power, led by Syl Laskin, made the decision to switch from Appalachian coal in the Eastern U.S. to cleaner-burning coal mined in the west. Minnesota Power helped pioneer the concept of unit trains delivering coal eastward from the Powder River Basin in Montana and Wyoming.

The Laskin facility was fitted with a two-stage wet scrubber in 1971 capable of removing both sulfur dioxide and particulates. Over the past decade, environmental upgrades at Laskin were completed to control nitrogen oxide emissions as part of Minnesota Power's Arrowhead Region Emissions Abatement Project, resulting in emissions reduction of approximately 65 percent. The facility also boasts non-chlorinated, ozone based circulating water treatment and a state-of-the-art wastewater treatment facility designed to remove waterborne mercury to levels below those required by the Great Lakes Initiative

Also at today's event, Minnesota Power highlighted a portion of woods near Steven Chambers Pavilion as a Rajala Woods. These company lands are being harvested and will be replanted in spring 2016 under the company's "Rajala Woods" initiative. The Rajala Woods initiative will restore white pine and other conifer trees through professional forest management practices that will ensure the sustainable use of the forest, improve biodiversity, conserve aquatic resources and enhance wildlife habitat and recreation.

Minnesota Power expects to plant up to three million white pine, red pine, jack pine and spruce tree seedlings over the next 10 years across approximately 3,000 acres of company-owned land near the Minnesota communities of Royalton, Pillager, Duluth, Cohasset, Winton, Hoyt Lakes and Schroeder. It will use the "Rajala Woods" initiative as a catalyst with other collaborators to restore and enhance forest management across the Northern Minnesota landscape.

Minnesota Power provides electric service within a 26,000-square-mile area in northeastern Minnesota, supporting comfort, security and quality of life for 143,000 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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