

NEWS

Minnesota Power advances its EnergyForward strategy for reliable, cleaner, affordable energy following Commission approval of Integrated Resource Plan

Duluth, Minn. — The Minnesota Public Utilities Commission on Thursday approved Minnesota Power's 2015 integrated resource plan, which continues the company's steady progress toward achieving a balanced mix of cleaner and renewable energy sources.

The nearly 500-page integrated resource plan filed September 1, 2015 and required by the MPUC to be filed approximately every two years, is Minnesota Power's roadmap for meeting customers' electricity needs through 2029 with a diversified energy supply while preserving reliability and protecting affordability. Minnesota Power is an operating division of ALLETE Inc. (NYSE:ALE).

The company's 15-year resource plan calls for further carbon emission reductions and meeting state and federal environmental regulations through the transition of small coal units, addition of renewables like solar and hydropower resources and increasing energy conservation through innovative programs. The company's EnergyForward strategy also calls for the addition of a natural gas resource early in the next decade to meet customer energy needs with a cleaner, flexible highly efficient energy source. The addition is a critical component of the company's strategy to transform its' energy supply to one-third renewables, one-third coal and one-third natural gas.

"The commission's approval affirms Minnesota Power is on the right path to a cleaner energy future while ensuring customers get the reliable energy they need at a price they can afford," said Al Hodnik, president, chairman and CEO of ALLETE. "EnergyForward is about balancing reliability, affordability and sustainability, and is clearly positioning Minnesota Power to meet the state's carbon reduction target of 30 percent by 2025. All of these efforts are helping to responsibly answer the nation's call to transform its energy landscape."

The resource plan assessed possible environmental and economic influences on energy supply and demand while weighing the economic benefits and risks of various options to serve customers. Among the commission-approved components of the plan:

- Economic idling of the company's Taconite Harbor Energy Center in Schroeder this fall and ceasing coal operations there in 2020. By idling the facility Minnesota Power will retain flexibility to address reliability needs for customers and the region if necessary.
- 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.

- Advancing solar generation additions.
- Expanding energy efficiency savings goals—the commission commended Minnesota Power’s strong conservation program performance and affirmed its proposal to treat energy efficiency as a resource addition. 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 each of the past five years.
- Along with adding more renewables to its system and diversifying its energy mix, Minnesota Power has made significant Commission-approved investments to its largest and most efficient coal-fired power plants, Boswell Units 3 and 4, to reduce mercury, NOx and SO2 emissions and increase efficiencies, with mercury emissions down about 90 percent. These investments have resulted in coal units that are among the cleanest in the nation

Minnesota Power also is 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. By 2015, Minnesota Power had surpassed the RES with about 26 percent of its retail and wholesale electric sales from Minnesota-eligible renewable energy sources. The commission affirmed as part of its current resource plan Minnesota Power’s path to meet the state’s 1.5 percent Solar Energy Standard by 2020. The company also has advanced its customer solar strategy and outreach including the recent Commission approval of a community solar garden in Duluth and proposed enhanced solar rebates for rooftop installations.

As part of the IRP action taken by the Commission, the company will continue to consider increasing its current renewable portfolio that includes 500 megawatt of wind by issuing RFPs for 100-300 megawatts of additional wind, solar additions beyond the state requirements and additional demand-side management resources. The company will analyze these potential resources to ensure they are economical for customers. In other related action yesterday, the Commission adjusted the retirement of two small coal units at the company’s Boswell Energy Center from 2024 to by 2022.

To view the company’s integrated resource plan, 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.