

AN ALLETE COMPANY



For Release: Sept. 10, 2015

Contact: A

Amy Rutledge Manager - Corporate Communications Minnesota Power/ALLETE 218-723-7400 arutledge@mnpower.com

Minnesota Power's first community solar garden builds on company's renewable energy strategy

Duluth, Minn. — Minnesota Power will offer a new energy option for customers by launching a <u>community solar garden program</u> that is expected to be generating power from the sun in late 2016.

The Duluth, Minn.-based utility today announced plans for its first community solar garden in a filing with the Minnesota Public Utilities Commission. Minnesota Power's initial solar garden will be constructed in two locations—a 40-kilowatt array on company-owned land on Arrowhead Road in Duluth and a 1-megawatt array on a still-to-be-determined site in northeastern Minnesota. Both arrays will combine to supply generation for solar garden subscribers. Based on customer demand, additional gardens would be offered for subscription.

The solar garden program also supports the company's EnergyForward strategy to achieve an energy mix that is one-third renewable energy, one-third natural gas and one-third coal.

"Through our existing solar programs and our broader dialogue with customers, we've seen a steadily growing interest for solar energy in our region," said Margaret Hodnik, Vice President of Regulatory and Legislative Affairs. "Our community solar garden program will provide a flexible alternative for customer participation to help respond to that interest. Our program will provide convenient choices for people who want to go solar but who either rent or don't have a home or business site that is well-suited to generating electricity from the sun."

The community solar garden program is the latest addition to Minnesota Power's growing offerings for customers who desire solar power. The company has provided its expertise and rebates to customers for traditional rooftop solar installation through its SolarSense program since 2004. In 2014, Minnesota Power announced it was partnering with the Minnesota National Guard to build a 10-megawatt utility-scale solar energy array at Camp Ripley in central Minnesota. This year, Minnesota Power began offering a Solar Energy Analysis program to help interested customers decide if a solar energy system is the right fit for their home or business.

The solar garden program also will help the company comply with the solar energy standard enacted in 2013 by the Minnesota Legislature. The law requires 1.5 percent of a public utility's retail sales to come from solar energy resources by 2020, with 10 percent of that to come from small-scale projects such as community solar gardens.

Interest in a community solar garden from Minnesota Power was evident even before the pilot program was formally announced.

Duluth Mayor Don Ness said he fully supports the solar pilot program and it fits well with the city's sustainability goals.

Minnesota Power • 30 West Superior Street, Duluth, Minnesota 55802 <u>www.mnpower.com</u>



"Community solar gardens, like the one proposed by Minnesota Power, are an ever-expanding opportunity to broaden the accessibility of solar energy and reduce a local community's reliance on fossil-based fuels," Ness said.

Mindy Granley, director of the Office of Sustainability at the University of Minnesota Duluth, said UMD will consider the opportunity to invest in Minnesota Power's solar garden as a way to help the university meet its greenhouse gas reduction goals even as new and expanding academic programs call for more space and specialized buildings on campus.

"The solar garden opportunity that Minnesota Power seeks to offer could provide additional solar power generation without the risk and maintenance that come with mounting arrays on campus roofs," Granley said. "It provides an opportunity for UMD to gain fixed-cost electricity for 25 years and supports our campus climate commitment and our desire to power the campus with largerscale renewable energy projects."

Tony Mancuso, director of St. Louis County Property Management, also expressed support for the community solar garden, noting that the county and Minnesota Power's Conservation Improvement Program have worked together on dozens of energy conservation and renewable energy projects.

"St. Louis County supports clean energy, public health, and environmental stewardship initiatives," Mancuso said. "We look forward to working with Minnesota Power in any way we can to support or implement the Community Solar Garden program." He suggested that undeveloped county land or county buildings could be potential solar power generation sites.

Minnesota Power residential and business customers will be able to choose from three options for participating in the solar garden program: an upfront one-time payment, a fixed monthly subscription fee or a fixed charge per kilowatt-hour option. In all of the options, participating customers receive a monthly credit for the solar energy based on their subscription. Unlike traditional rooftop solar customers, subscribers won't need to deal with permitting, constructing, operating or maintaining a solar system.

The pilot program is available to retail residential and business customers who live anywhere in Minnesota Power's service territory. Following MPUC approval of the program, Minnesota Power will accept applicants on a first-come, first-served basis. In the meantime, interested customers can call 218-355-3720 or email solarprogram@mnpower.com.

Minnesota Power will own and operate the 40-kilowatt array, which will be built next to the company's Herbert Service Center in Duluth. The 1-megawatt array will be owned and operated by a developer with the generation sold back to Minnesota Power through a power purchase agreement. The company will be seeking developers through competitive bidding processes for each solar array.

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 <u>www.mnpower.com</u>.

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.

###