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NEWS

Minnesota Power names site, proposes customer pricing for first community solar garden

Duluth, Minnesota—Plans for Minnesota Power’s first community solar garden are moving forward with the selection of a site on land owned by St. Louis County and proposed pricing for customers who sign up for the program.

Minnesota Power, an operating division of ALLETE Inc., filed the additional information today with the Minnesota Public Utilities Commission. MPUC commissioners are expected to consider the company’s solar garden proposal later this spring. The company first announced its program in September 2015.

The community 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 vacant land owned by St. Louis County near the junction of Haines and Arrowhead roads in Duluth. A solar developer based in Minneapolis, United States Solar Corp., was selected through a competitive bidding process. US Solar will own and operate the 1-megawatt array with the generation sold to Minnesota Power through a power purchase agreement. Minnesota Power will own and operate the 40-kilowatt array, which will be built next to the company’s Herbert Service Center.

Both arrays will combine to supply electricity for Minnesota Power solar garden subscribers and are expected to be generating power from the sun by the end of the year. The solar garden program supports the company’s EnergyForward strategy to achieve a balanced energy mix of one-third coal, one-third natural gas and one-third renewable energy.

“Our community solar garden will provide a convenient, flexible and reasonably-priced alternative 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,” said Margaret Hodnik, vice president of Minnesota Power regulatory and legislative affairs. “We’ve seen interest in solar energy increasing in our region and, based on the success of this pilot solar garden program, additional community solar gardens could be offered to our customers in the future.”

The 1-megawatt array on Haines Road will be made up of about 4,375 polysilicon solar panels and cover six to eight acres. The 40-kilowatt array will be made up of about 450 thin-film solar panels manufactured by First Solar. The 1.5-acre site on Arrowhead Road also will be restored to a pollinator-friendly habitat of native plants and flowers. Construction of both arrays is expected to begin this summer. Hunt Electric is the contractor for the 40-kilowatt array.

In addition to finalizing a site, Minnesota Power also has proposed a price structure for customers who want to participate in the solar garden program. Subject to MPUC approval, residential and business customers will be able to choose from three options: an upfront one-time payment, a fixed monthly subscription fee or a fixed charge per kilowatt-hour. All of the options are based on 25-year agreements, but customers have the flexibility to leave the program at any time without penalty.

The cost for residential customers who want to replace their current energy with solar energy, and who typically use about 750 kilowatt-hours a month, and choose either a monthly subscription fee or fixed charge per kilowatt hour will range from about \$81 to about \$95 a month. That compares to a monthly bill of about \$80 for a similar nonparticipating customer. Subscriptions will be offered in 1 kilowatt blocks, and customers can choose to purchase enough to cover all or a portion of their monthly electricity needs. The upfront one-time payment for each kilowatt block is about \$2,100.

The pilot program will be 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, customers can visit mnpower.com/Environment/CommunitySolar, call 218-355-3720 or email solarprogram@mnpower.com for more information or to be placed on a solar interest list. More than 230 people are on the interest list so far.

The community solar garden program will join Minnesota Power's other offerings for customers who want solar power. The company has provided its expertise and rebates to customers for traditional rooftop solar installation through its SolarSense program since 2004. Last 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. Minnesota Power also is partnering with the Minnesota National Guard to build a 10-megawatt utility-scale solar energy array at Camp Ripley in central Minnesota.

The community solar garden program also will help Minnesota Power comply with the state's solar energy standard. The law requires 1.5 percent of a public utility's retail sales to come from solar energy resources by 2020.

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.

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