

Solar Energy Standard (SES) Application for Exemption Notice

In 2013, the Minnesota State Legislature amended the state's Renewable Energy Standard ("RES") by adding a Solar Energy Standard ("SES")¹. The RES, established in 2007, requires 25% of energy to come from renewable sources, like wind and hydro, by 2025. The SES, new in 2013, adds to the RES and requires 1.5% of the public utility's total retail sales to be generated specifically from solar energy by the end of 2020.

Some customer facilities may be exempt from the SES. Costs incurred by Minnesota Power to meet the SES will be excluded from the rates of excluded customer facilities.

The exclusion from the SES applies to two categories of customer facilities. The first includes any customer facility whose primary business

purpose is iron mining extraction and processing, to include a scram mining facility².

The second category includes any customer facility whose primary business purpose is a paper mill, wood products manufacturer, sawmill or oriented strand board manufacturer³. North American Industry Classification System ("NAICS") codes can be used to determine if a facility qualifies for exemption. A full listing of approved NAICS codes is available on Minnesota Power's website.

If you believe you meet the requirements listed above and would like to apply for an exemption from the SES, please follow the steps below:

1. Access our application for exemption at our website: <http://www.mnpower.com/SESexemption>

2. Return a completed application to the address on the form, or email the application to: solarprogram@mnpower.com

Solar energy is an important component of our EnergyForward strategy to move toward a cleaner energy future while keeping electricity affordable and reliable.

We are bringing more renewable energy, like solar, online so the electricity we deliver will come from a balanced energy supply of one-third renewable, one-third coal and one-third natural gas.

For more information, please visit our solar webpage at <http://www.mnpower.com/Solar>

For questions or to request a paper application, you may contact Renewable Programs at 218-355-3236.

¹ Minnesota Statute 216B.1691, subd. 2f

² Minnesota Rules part 6130.0100, subpart 16

³ Minnesota Statute 216B.1691, subd. 2f(d)(1) and (2)