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## Minnesota Power joins forces with military to build 10-megawatt solar energy project at Camp Ripley

Little Falls, Minn.- Minnesota Power and the Minnesota National Guard will join forces to build a major solar energy project at Camp Ripley, the largest military base in Minnesota.

Duluth-based Minnesota Power, a division of ALLETE, Inc., (NYSE:ALE) and the Minnesota National Guard today signed a memorandum of understanding outlining plans to build a 10-megawatt utility-scale solar energy array at the central Minnesota camp. The project will be the largest solar energy installation on military property in the state. The utility will also identify ways to help Camp Ripley reduce its energy usage by 30 percent and install backup generation for energy security.

Minnesota Power has been the energy provider to Camp Ripley, located near Little Falls, for decades. The 53,000-acre regional training facility was established in 1856. The solar project envisioned by Minnesota Power and the Guard, subject to regulatory approval, would cover nearly 100 acres of underutilized government property at the Camp with photovoltaic panels on racks.

"To provide cleaner energy forms is the mission, and both Minnesota Power and our National Guard are on the front lines," said ALLETE Chairman, President and CEO Al Hodnik. "This project helps meet our goal of achieving the state's solar mandate and it advances our company's **EnergyForward** goal of providing a balanced mix of one-third renewable, one-third coal and one-third natural gas energy sources reliably and affordably."

"I'm pleased to work in partnership with the National Guard, to answer the nation's call to transform our energy landscape," Hodnik added. "This solar project is good for the Little Falls area and Morrison County and it's good for Minnesota." Hodnik said he expected that Minnesota Power would innovatively and strategically develop its solar energy portfolio just as it has expanded its Bison Wind Energy Center into the largest wind farm in North Dakota. The solar project will also bring employment and new business into the region, he said.

Minnesota National Guard Maj. Gen. Richard C. Nash said the Guard and Camp Ripley specifically, have long looked for ways to increase their environmental stewardship.

"Today's signing marks a milestone along our path to make that vision a reality," Nash said. "The Minnesota National Guard is committed to working with local partners in the government and the private sector, like Minnesota Power, to assist us in our pursuit of sustainable infrastructure."

The solar farm and backup generation will be designed and constructed to allow Camp Ripley to use the energy produced by the project during infrequent periods when the electric grid is down, providing enhanced energy security for the military site, which benefits all Minnesotans. At 10 megawatts, it will be among Minnesota's largest single-site solar arrays, producing more electricity than the base normally requires. During non-emergency operation the solar energy produced would flow into Minnesota Power's electric service territory, which encompasses 26,000 square miles in central and northern Minnesota.

Projected to cost \$25 million, the solar energy project could be completed in the 2015-2016 time frame. Minnesota Power has been evaluating solar generation projects that will help the company comply with a solar energy standard enacted in 2013 by the Minnesota Legislature. The law requires the company to procure 1.5 percent of non-exempt energy from solar resources in a manner consistent with Minnesota Power's integrated resource planning while providing competitive electric rates to customers.

"Completion of the Camp Ripley solar project will help Minnesota Power achieve about one-third of its requirement under the state's new solar mandate," said Al Rudeck, Vice President Strategy and Planning. At the same time, the project will help the Minnesota National Guard meet energy conservation objectives outlined by the Department of Defense. And Camp Ripley would achieve an energy security priority by gaining the ability to function completely independent of the electric grid in emergency situations. The project will showcase a clean energy partnership between an innovative public utility and the military.

The National Guard and Minnesota Power will work together to identify and complete programs that will help Camp Ripley meet its energy savings goal of 30 percent (beginning with a 2003 baseline). This spring and summer, Minnesota Power personnel conducted an energy efficiency evaluation at the camp under the auspices of the company's Power of One Conservation

Improvement Program. More than 50 different energy conservation measures were recommended.

Part of the memorandum signed today outlines how Minnesota Power will install reciprocating engines - either diesel or natural gas -- at Camp Ripley that will serve a dual purpose. First, the engines would provide capacity and peaking energy to Minnesota Power, operated through remote dispatch during periods when energy market conditions call on it. Secondly, this "backup generation" could provide emergency generation to Camp Ripley.

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](http://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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