

## Hamre, John G.

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**From:** Lein, Jerry R.  
**Sent:** Wednesday, March 15, 2017 12:29 PM  
**To:** -Grp-PSC Commissioners; -Grp-PSC Public Utilities; -Grp-PSC Legal  
**Subject:** FW: ALLETE Clean Energy announcement

FYI

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**From:** David Moeller (ALLETE) [mailto:dmoeller@allete.com]  
**Sent:** Wednesday, March 15, 2017 9:54 AM  
**To:** Lein, Jerry R. <jlein@nd.gov>  
**Cc:** Al Rudeck Jr. (ACE) <ARUDECK@alletecleanenergy.com>; Wells McGiffert (ACE) <wmcgiffert@alletecleanenergy.com>; Daniel McCourtney (MP) <dmccourtney@mnpower.com>; Maggie Thickers (ACE) <mthickers@allete.com>  
**Subject:** ALLETE Clean Energy announcement

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Jerry,

Thank you for discussing ALLETE Clean Energy's exciting news this morning. Here is a summary of the project and I will follow-up with the press release when it is available. Please let us know if you or Commissioners have any questions.

Best,

David

ALLETE Clean Energy, a wholly-owned subsidiary of ALLETE Inc., will be building, owning and operating an approximately 100 MW wind farm in Morton and Mercer counties in North Dakota that will supply electricity to Xcel Energy under a signed 20-year PPA.

The North Dakota Public Service Commission granted ALLETE Clean Energy a Certificate of Site Compatibility for the Clean Energy #1 Wind Project in August 2012 (Docket No. PU-11-662). Initial road construction began in 2015 for federal Production Tax Credit eligibility purposes and to comply with site permit time period requirements. All landowner agreements are in place and full construction is expected to begin in 2018. The wind farm is expected to be complete in 2019. ACE is planning on updating the project name and may need a minor amendment to the Commission site permit depending on final turbine size and the total megawatts of the facility. The PPA is subject to regulatory approval.

To qualify for federal renewable energy production tax credits, the project may utilize a share of wind turbines ALLETE Clean Energy purchased in 2016 that meet the standards for the tax credit "Safe Harbor" provision. The \$100 million investment in Safe Harbor turbines allows ALLETE Clean Energy to pursue its three-pronged PTC strategy that includes building and operating new wind farms based on long-term PPAs, building wind farms for other companies for a development fee or a sale price, and refurbishing its existing wind farms while extending power sales agreements.

ALLETE Clean Energy owns and operates wind generation facilities in Minnesota, Iowa, Oregon and Pennsylvania that were purchased from other companies. It also developed the 107.5-megawatt Thunder Spirit wind farm in North Dakota, which was sold to Montana-Dakota Utilities in 2015. ALLETE Clean Energy in January 2017 announced a plan to expand Thunder Spirit to about 150 megawatts through a PPA with Montana-Dakota Utilities, which also has an option to purchase the expansion.

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