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## **Dairyland Power Announces Natural Gas Plant Partnership**

### **DAIRYLAND POWER'S 76<sup>TH</sup> ANNUAL MEETING HIGHLIGHTS**

LA CROSSE, WI— Dairyland Power Cooperative announced plans for a renewable energy enabling 525-550 MW combined cycle natural gas facility at its 76<sup>th</sup> annual meeting today. This project is in partnership with Minnesota Power, a utility division of ALLETE (NYSE: ALE), based in Duluth.

The Nemadji Trail Energy Center will be co-developed by Dairyland and Minnesota Power. The site is located along the Nemadji River in Superior, Wis., adjacent to the service territories of both partners. Bayfield Electric and other Dairyland member cooperatives have served northwestern Wisconsin for decades.

Barbara Nick, President and CEO, announced this expansion as a significant component of Dairyland's ongoing "Preferred Plan" for resource diversification during her annual meeting address. The Nemadji Trail Energy Center will provide an agile and affordable resource that supports the major wind and solar energy investments Dairyland continues to implement. The partnership announcement aligns with Dairyland's annual meeting theme, *United We Shine*.

"We've talked for a long time about the need to add natural gas as a renewable-enabling resource," said Nick. "Dairyland's resource diversification strategy enables renewable forms of generation and ensures reliability, sustainability and affordability. Natural gas plants provide critical back-up to intermittent renewable sources of power, like solar and wind. The Nemadji Trail Energy Center will respond on demand, providing the energy required by our membership and Minnesota Power's customers exactly when they need it—at the flip of a switch."

#### **Nemadji Trail Energy Center Facts**

- Agile, flexible and affordable energy source to enable renewable resources such as wind and solar.
- Proposed 525 to 550 MW combined cycle natural gas plant. It is scheduled to be in service by 2024, contingent on regulatory approvals.
- Proposed at shovel-ready, industrial site controlled by the project partners in northwest Wisconsin. Fuel availability is excellent, with access to natural gas pipelines.
- Co-developed by Dairyland Power Cooperative and Minnesota Power. Both organizations have served the region for decades.
- Will serve as an economic engine for the region through job and commerce stimulus.
- Will support energy-intensive regional industries (manufacturing, forestry, mining).

A Touchstone Energy® Cooperative 

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Dairyland Power Cooperative is an equal opportunity provider and employer.

## **Additional 76<sup>th</sup> Annual Meeting Highlights**

Approximately 600 electric cooperative leaders and guests attended Dairyland's 76th annual meeting at the La Crosse Center earlier today. Roger Tjarks, Chairman of the Board and director representing Heartland Power Cooperative, presided over the meeting.

Dairyland Chief Financial and Administrative Officer (CFO/CAO) Phil Moilien provided a 2016 Financial Report: "Dairyland focuses on maintaining strong credit ratings and financial strength to maintain access to economical financing. Stable rates for 2017 reflect Dairyland's efficiency improvements and wise management of controllable costs and risk. Ensuring rates and services are competitive is critical to the economic well-being of the region as well as the long-term viability of Dairyland and our cooperative members."

For 2016, net margins were \$23.1 million, compared to 2015 margins of \$26.7 million. A mild winter and decreased energy use by some commercial customers contributed to slightly lower energy loads.

Total operating revenues for 2016 decreased slightly to \$414.8 million, as compared to \$418.3 million in 2015, due to a mild winter and low energy market prices. Total operating expenses also decreased slightly, due to lower fuel and purchased power costs.

Dairyland Vice President, External and Member Relations, Brian Rude welcomed legislators and special guests. "Since politics impacts many aspects of the energy industry, bipartisan collaboration between cooperatives and legislators is very important," said Rude.

The meeting also included a video highlighting the history of Dairyland's shut-down nuclear facility, LACBWR, and current decommissioning activities. Longtime Dairyland employees received service awards at the annual meeting. Employees staffed informational booths on sustainability, solar energy projects, energy efficiency and information technology. A variety of electric vehicles were on site for cooperative members and employees to view and test drive.

**About Dairyland Power Cooperative:** Dairyland, a Touchstone Energy Cooperative, was formed in December 1941. Headquartered in La Crosse, Wis., Dairyland provides the wholesale electrical requirements for 24 distribution cooperatives and 17 municipal utilities. These cooperatives and municipals, in turn, supply the energy needs of more than a half-million people in the four-state service area. Today, the cooperative's generating resources include coal, natural gas, hydro, wind, solar and biogas. Dairyland delivers electricity via 3,195 miles of transmission lines and 292 substations located throughout the system's 44,500 square mile service area. Visit [www.DairylandPower.com](http://www.DairylandPower.com).

**About Minnesota Power:** Minnesota Power is a utility company based in Duluth, Minn., and is owned by ALLETE, Inc., a provider of affordable, reliable energy services in the Upper Midwest. Minnesota Power serves about 145,000 residential and commercial customers, 16 municipalities and some of the nation's largest industrial customers in northeastern Minnesota.

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