

DRIVEWAY CONSTRUCTION

Dear Member:

Throughout our discussions of a possible new operations center, transparency and due diligence have been Mille Lacs Energy's number one priority. I made a promise to you, our members, to keep you informed every step of the way. As of September 1st, we finally have exciting news to share! Permitting for a driveway and turn lane from Highway 169 has been fully approved for the property MLEC purchased in 2020. We have been patiently waiting for this approval so we can move forward with the next phase of the process, and construction on the driveway began September 8th.

As you all know, we are still many steps away from the possibility of opening the doors to a new, efficient, and updated operations center – steps that require the successful conclusion of all prior steps before moving on to the next. Please know we are keeping an open mind and continually doing research to make sure that the chosen location is the best possible home for the future of MLEC. We have taken into consideration input from our members, contacted landowners, and have even looked at five additional parcels of land within the last 45 days. With all our efforts, we keep coming back to our purchased property near the junction of Highway 169 and Highway 18.

Now that the driveway construction has moved forward, we are excited to put out a Request for Proposal to architects and assessing bids. We have a lot of things in our favor right now, and we do not anticipate new construction of an operations center having much of an impact on members rates. With lower interest rates, Great River Energy's anticipated wholesale power rate reductions, and MLEC's strong financial position, an extremely conservative 10-Year Financial Forecast does not anticipate a rate increase for MLEC members until 2027 – even with the addition of a new operations center and scheduled fiber expansion. With this being said, if the cost for a new operations center is out of reach, the project will be put on hold, or it will simply come to a stop.

“Once construction is completed on the driveway, the next step is putting out a Request for Proposal to architects and assessing bids. We have a lot of things in our favor right now, and we do not anticipate new construction having much of an impact on members rates.”

When thinking of a new operations center, we are planning for the longevity and bright future of Mille Lacs Energy Cooperative. There is no glass ceiling as to what the next 80 years might bring! Today, we're expanding the MLEC Fiber offering to help our members bridge rural America's broadband accessibility gap. It is amazing to think that in just one year's time, we have doubled the amount of connected MLEC Fiber Internet customers. Emerging opportunities span alternative energies, energy storage, standby generators, distributed generation, and electric vehicle technologies. These new energy technologies mean our cooperative has opportunities to grow and expand. MLEC needs a facility that will match the innovative and technological work we are doing – and will do in the future. A new operations center will be built from the ground up with the next 80 years in mind.



Sarah Cron
CEO

We have launched a page on our MLEC website that is dedicated to information about the new facility project. News sources, frequently asked questions, and a project summary video can all be found there. The webpage will be updated frequently and will act as an additional resource for our members and will be a place to foster productive and effective communication.

As always, feel free to contact me with any questions.

