



We Energies
231 W. Michigan Street
Milwaukee, WI 53203

www.we-energies.com

January 24, 2019

Ald. Robert Bauman
200 E. Wells Street
Milwaukee, WI 53202

Re: **Public Works Committee Discussion Item—Renewable Energy**

Dear Public Works Chair Bauman:

We have been following recent policy discussions before the Public Works Committee this month regarding how to best meet the City of Milwaukee's renewable goals.

At both the Jan. 3 and 23 proceedings, the committee held information sessions on this topic. Options ranged from the city financing the purchase of its own solar panels at a cost of over \$1.5 million, to the potential of partnering with our company, We Energies, to advance renewable energy investment in the city.

We estimate the city's participation in two pilot programs will:

- help the city obtain nearly 40% of energy from renewable sources which is well over the 25% goal by 2025 set by the Common Council (file [091066](#)).
- provide payments to the city of ~\$80,000 per year for 20 years in return for hosting solar energy arrays.
- deliver millions of dollars in savings through reduced energy costs.

In addition, our proposal contemplates all the clean energy investments will be made in Wisconsin.

We know how important it is for you have the all of the information you need to make an informed decision in selecting the best approach to achieve renewable energy goals in a cost effective manner. Our proposal is made up of two pilot programs.

The first recently approved pilot, "Solar Now," enables We Energies to deliver smaller-scale rooftop solar to customers, including the City of Milwaukee.

Solar Now provides a valuable option, consistent with Wisconsin law, for customers, including municipalities, school districts and other nonprofits that cannot take advantage of the federal tax credits that make solar facilities more financially viable.

Under Solar Now, we will pay our customers a lease payment for hosting the facilities. The lease payment is tied to the market value of electric generating capacity. This program allows customers to retain the environmental attributes associated with the new facilities in the form of Renewable Energy Credits (“RECs”).

By working with us through the Solar Now pilot, the city can avoid \$1.5 million in upfront payments (and any associated debt) and instead receive more than \$1.5 million in future lease payments over the life of the project with no investment or maintenance risk for the city.

The feedback we have received from our customers regarding these pilots has been very positive. To date, we have received requests to participate in Solar Now from 11 school districts, eight municipalities, one hospital system and one sewerage district.


The second pilot program is what we call a “sleeve tariff.” This is a vehicle for our larger customers, like the city, to obtain access to the benefits of larger-scale renewable projects at actual cost. It allows partners to receive a portion of their energy needs from a larger utility-scale wind or solar farm (that is likely to be over 100 MW).

We are committed to working with you to meet your renewable goals. Attached is a slide deck that describes both options that we have shared with several city officials

We would urge you to contact the Mayor and your colleagues to support the city’s participation in these recently approved clean energy pilots.

Please do not hesitate to contact me directly if you would like to discuss this matter.

Sincerely,

A handwritten signature in black ink that reads "Robert M. Garvin". The signature is written in a cursive style with a large initial "R".

Robert M. Garvin
Executive Vice President
External Affairs

cc: Mayor Tom Barrett
Paul Vornholt
Tom Miller
Erick Shambarger