



Information for Milwaukee City/County Task Force on  
**Climate and Economic Equality**

December 9, 2020

# Our Policy Priorities



**Affordable**



**Reliable**



**Zero greenhouse  
gas emissions**

Delivering reliable, affordable energy to our customers. Reducing greenhouse gas emissions. Building and maintaining safe, resilient infrastructure. These imperatives continue to drive our decision-making, and the results are clear.

- Gale Klappa, WEC Energy Group  
Executive Chairman

***Preserving reliability and advancing sustainability can go hand in hand***

# Meeting our carbon reduction goals will require consultation with customers, stakeholders, elected officials and regulatory commissions



Retiring older fossil fuel plants



Investing in low cost renewables in Wisconsin



Creating energy solutions with customers and communities we serve

# Our Plan



# Our Plan

## Investing \$16.1 billion for:

Efficiency

Sustainability

Growth

# Investing in Carbon-Free Generation

**Build and own 1,800 MW of new solar, wind, and battery storage**



## Currently Under Development or In-Service

- 200 MW solar – WPS\*
- 100 MW solar – We Energies



## New Planned Clean Energy Additions

- 800 MW solar
- 100 MW wind
- 600 MW battery storage



\* 100MW in-service November 2, 2020

# Carbon-Free Generation Currently Under Development

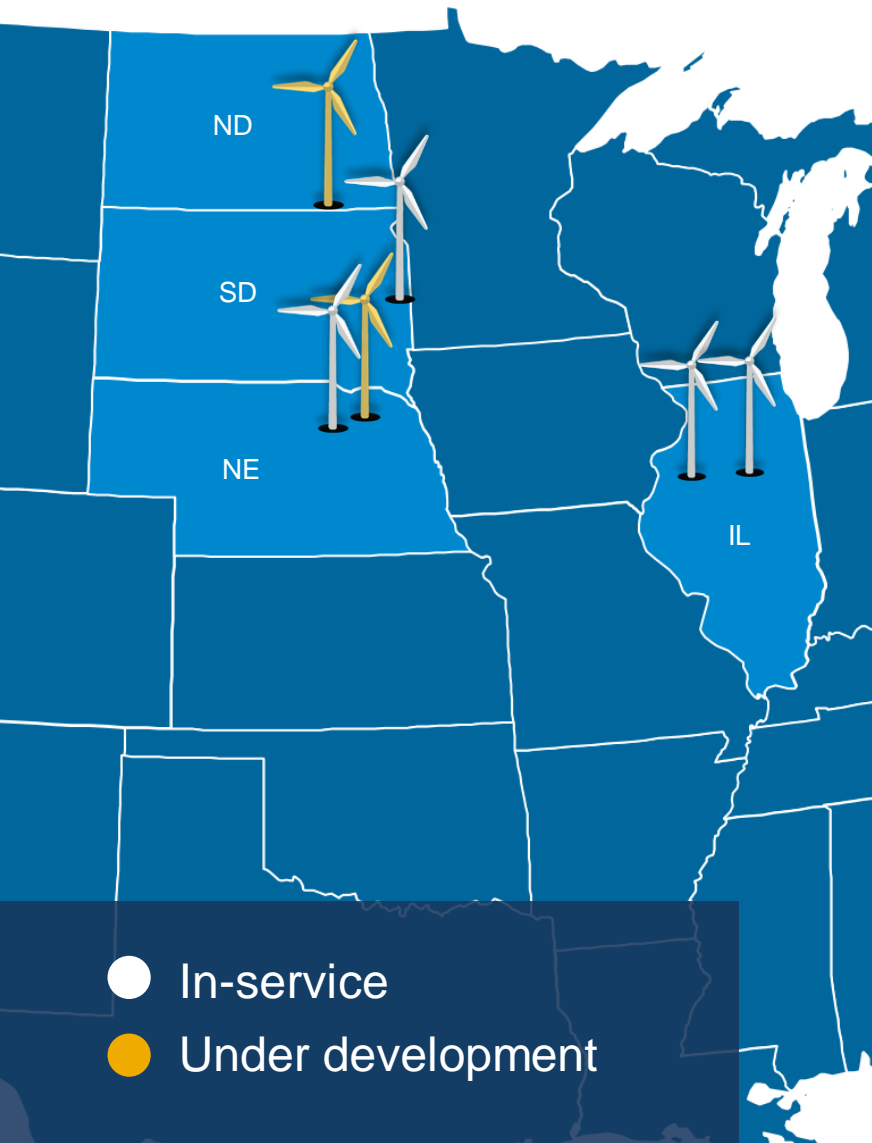


- Solar generation technology has improved in efficiency, become more cost-effective and complements our summer demand curve.
- We Energies, Wisconsin Public Service and Madison Gas & Electric are partnering on major solar initiatives.
- In addition, We Energies is moving forward on two innovative renewable pilot programs for 185 MW of carbon-free generation.

Project	Utility	Location	Investment	Capacity*	Timing
Two Creeks Solar Project	WPS	Two Rivers, WI	\$130M	100MW	In Service: November, 2020
Badger Hollow I Solar Park	WPS	Iowa County, WI	\$130M	100MW	Targeted in-service: April, 2021
Badger Hollow II Solar Park	WE	Iowa County, WI	\$130M	100MW	Targeted in-service: December, 2022

\*Madison Gas & Electric will own an additional 50 MW at each site

# Allocating \$2.2 Billion 2021-2025 Infrastructure Portfolio



In-Service	Capacity (MW)	Investment (in millions)
Upstream	200	\$307
Bishop Hill III	132	\$166
Coyote Ridge	97	\$145
Blooming Grove	<u>250</u>	<u>\$389</u>
<b>Total</b>	<b>679</b>	<b>\$1,007</b>

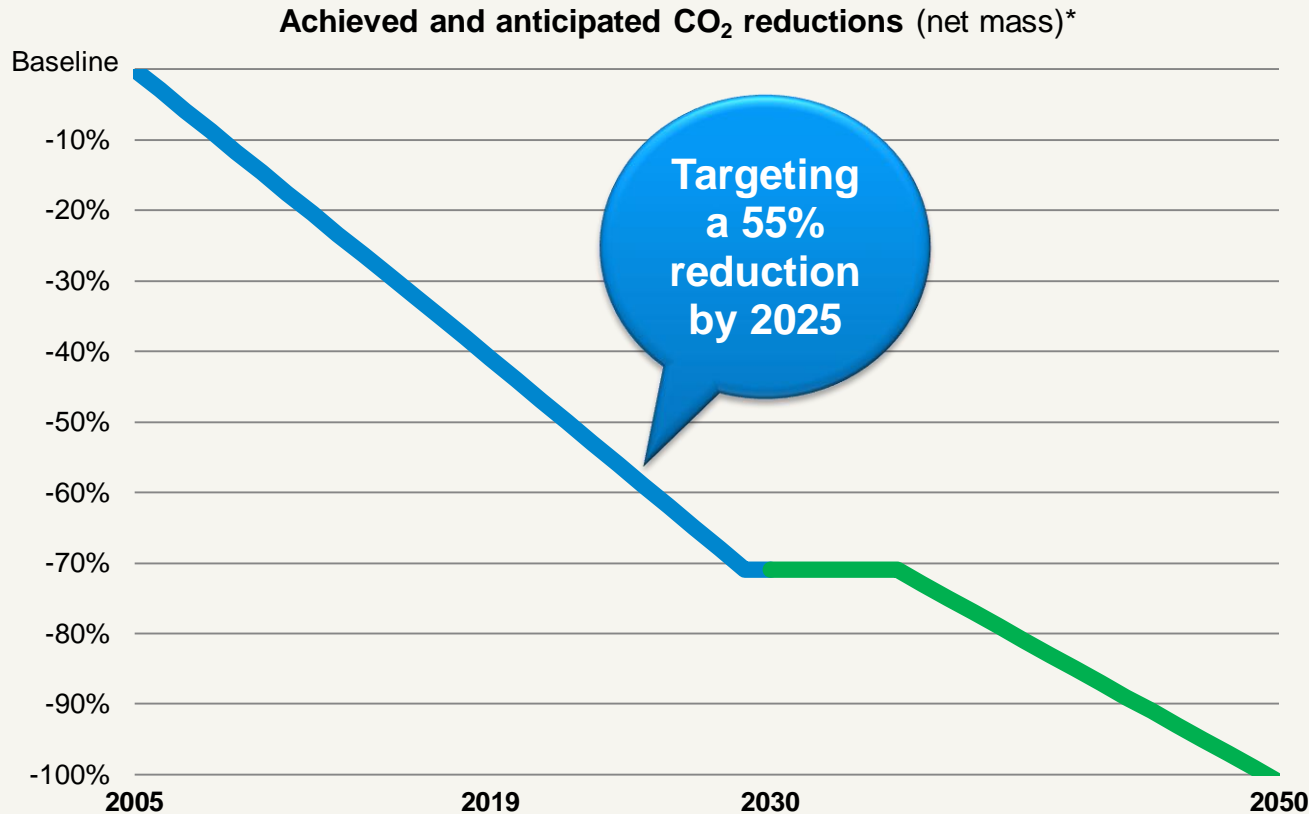
Under Development	Capacity	Investment
Tatanka Ridge	155	\$235
Thunderhead*	<u>300</u>	<u>\$381</u>
<b>Total</b>	<b>455</b>	<b>\$616</b>

Expect an additional \$1.8 billion of investment over the five-year period

\*Investment part of the 2021-2025 capital plan



# New Carbon Reduction Goals – Electric Generation



Reduction goals:

# 70%

below 2005 levels by 2030

# Net carbon neutral

by 2050

Goals aligned with the Paris Climate Accord

\*Includes projection of potential carbon offsets by 2050

# Dedicated Renewable Energy Resource (“DRER”) *A Three-Way Partnership*

## *We Energies*

- Files and obtains approval of participating customer-specific service agreements with Public Service Commission of Wisconsin (“PSCW”)
- Constructs, owns, and operates facility(ies) that support the DRER program.
- Establishes and provides to customer revenue requirements (net of tax credits) levelized into a lease payment
- Transfers renewable energy attributes (“RECs”) to customer or retires those attributes on customer’s behalf

## *Participating Customer*

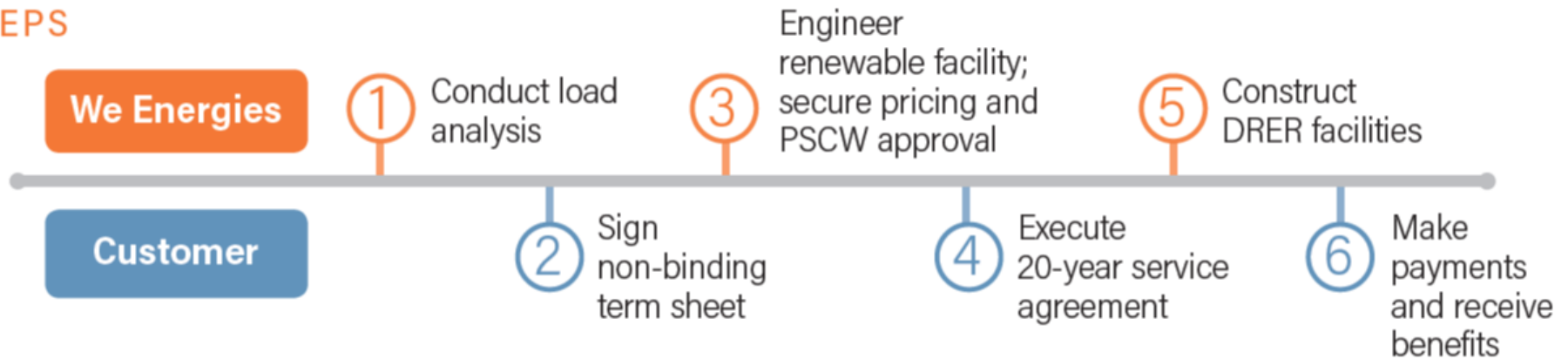
- Agrees to service agreement terms
- Makes monthly payments
- Receives credit for market value of energy
- Receives credit for long-run value of capacity (valued at “CONE” established by MISO)
- Receives RECs

## *All Customers*

- Receives benefits of reliable power under peak conditions

# Dedicated Renewable Energy Resource (“DRER”)

## STEPS



# Environmental, Social & Governance Focus

## Carbon Goals

Met and exceeded our 2030 target in 2019. Set new goals to reduce carbon dioxide emissions from electric generation by 70% below 2005 levels by 2030 and to be net carbon neutral by 2050.

## Methane Reduction Goal

Reduce the rate of methane emissions by 30% per mile from a 2011 baseline by 2030

15.7 million metric tons

Amount of combustion products for beneficial use provided over the past two decades

\$1.9 billion

Planned utility renewable investments (2021-2025)

\$2.2 billion

Planned investment in contracted energy infrastructure (2021-2025)

\$20 million

Contributed by our companies and foundations to nonprofit organizations in 2019

42% diversity

Board of directors who are diverse based on gender and/or race

\$282.6 million

Spent with certified minority-, women-, service disabled- and veteran-owned businesses in 2019

\$124.4 million

Spent on energy efficiency and conservation in 2019

# Questions