



your community energy company

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April 18, 2016

***Via Electronic Regulatory Filing***

Ms. Janet Wheeler  
Administrator - Division of Regional Energy Markets  
Public Service Commission of Wisconsin  
PO Box 7854  
Madison WI 53707-7854

Subject: MGE's Renewable Portfolio Compliance Report for CY2015  
Docket 5-GF-260

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Dear Ms. Wheeler:

This is in response to your letter dated February 18, 2016, regarding Wis. Stat. § 196.378k, which requires utilities to provide a response to the following renewable energy information data.

**Questions 1-3**

- See attached Excel spreadsheet: Questions 1-3.xlsx

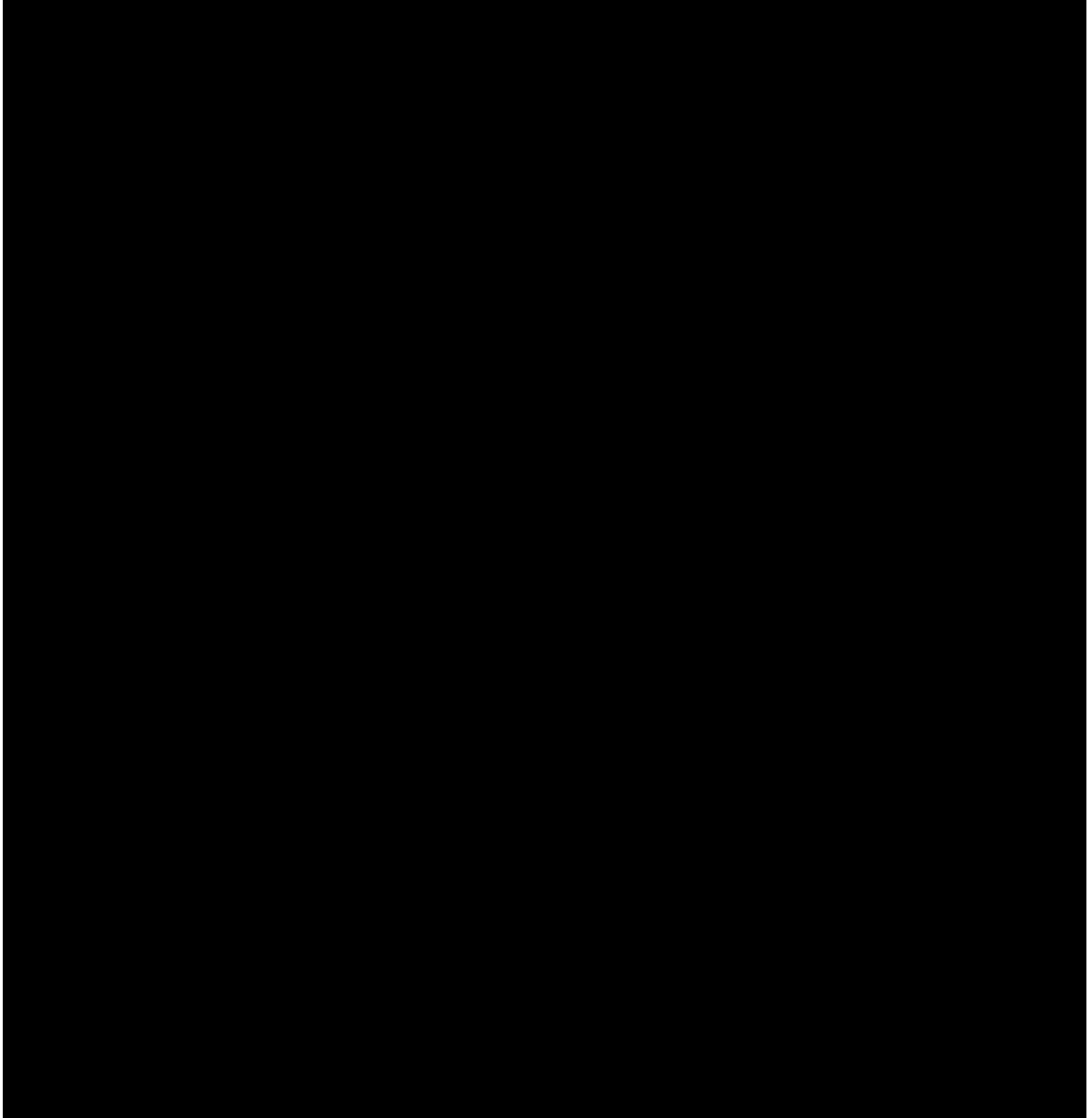
**Question 4**

For purposes of determining whether the statewide RPS goal was met in 2015, please also create and file a separate spreadsheet with a list of renewable generators that produced power for the WI RPS in 2015. This list should include these fields: M-RETS ID, generator name, 2015 renewable production from the facility, percentage allocated to the WI RPS, and 2015 renewable production allocated to the WI RPS. The data in this list should support the statistics provided in 2b above.

Madison Gas and Electric Company  
5-GF-260  
Response to Question 4

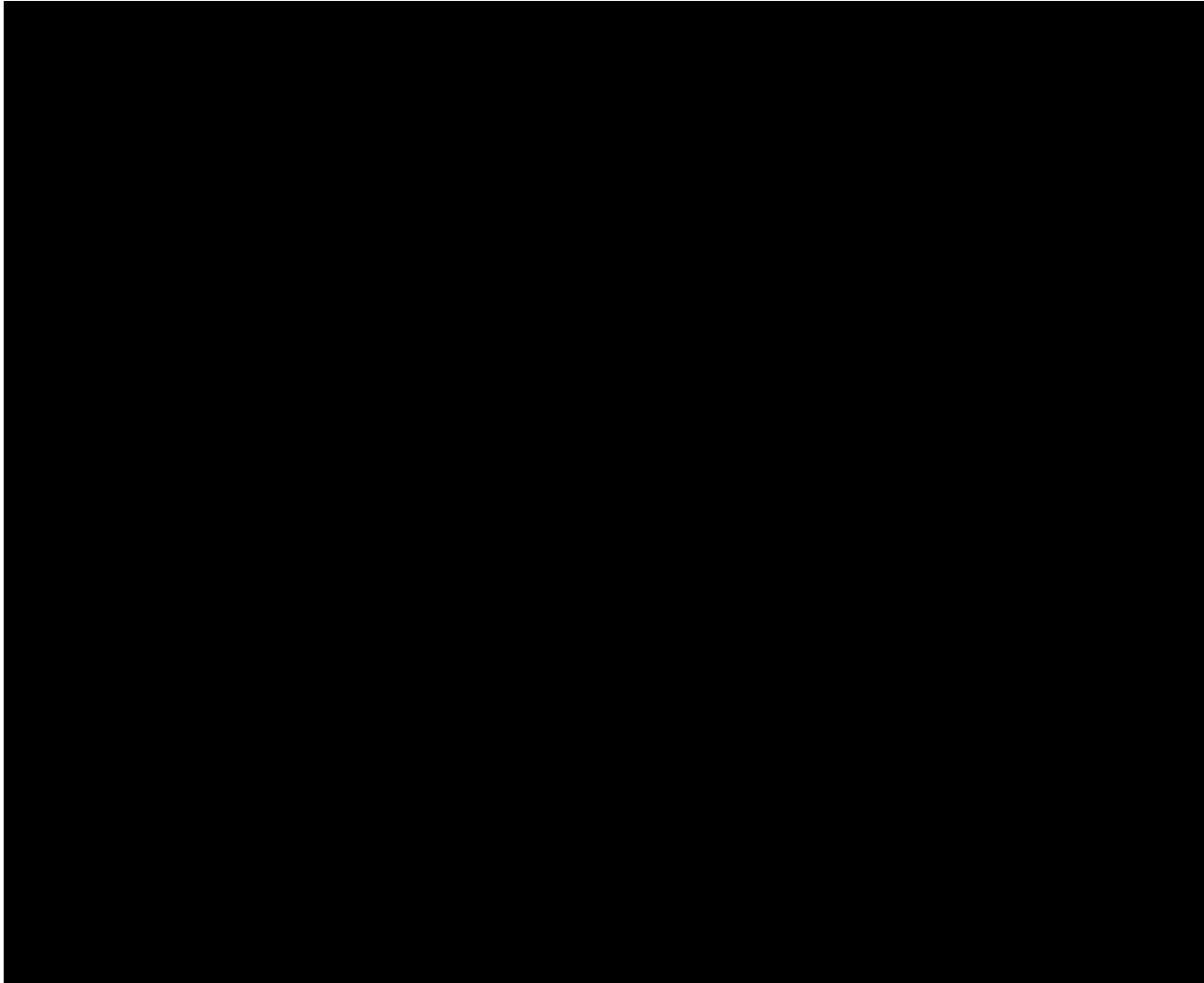
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M-RETS ID	Generator	Generation Period	Quantity	WI RRC Adjusted Quantity
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5. Describe the electric provider's 2015 WI RPS compliance activities.

- a. Provide information regarding the M-RETS Certificates and RRCs used for 2015 WI RPS compliance, including the identity of the individual facilities associated with and the vintage of the M-RETS Certificates and RRCs. Please identify the name(s) of the M-RETS Subaccount(s) used by the electric provider for 2015 WI RPS compliance.



- b. Provide information regarding the number of M-RETS Certificates and RRCs used for 2015 WI RPS compliance from facilities located in Wisconsin, and the number of Certificates and RRCs used from facilities located outside Wisconsin.

Wisconsin	46,081
Non-Wisconsin	210,699
Total	256,780

- c. **If any Certificates used for 2015 WI RPS compliance were created as the result of an M-RETS prior period adjustment which resulted in Certificates created for a year other than the year the actual electricity was generated, please identify these Certificates as well as the "begin" and "end" dates of the actual generation associated with those Certificates.**

None.

- d. **Did the electric provider buy or sell any RRCs during the 2015 WI RPS compliance period? (April 16, 2015 through April 15, 2016). If so, provide; 1) approximate date, 2) amount (MWh) bought or sold, the type of entity with whom you traded (WI utility, non-WI utility, or non-utility marketer), and 3) price (\$/MWh) for each transaction.**

No.

- e. **Did the electric provider use any Certificates or RRCs for 2015 WI RPS compliance that the electric provider also used to satisfy obligations to retail customers under a voluntary green pricing rate? If yes, identify the quantity used (MWh) both for 2015 compliance and voluntary green pricing sales.**

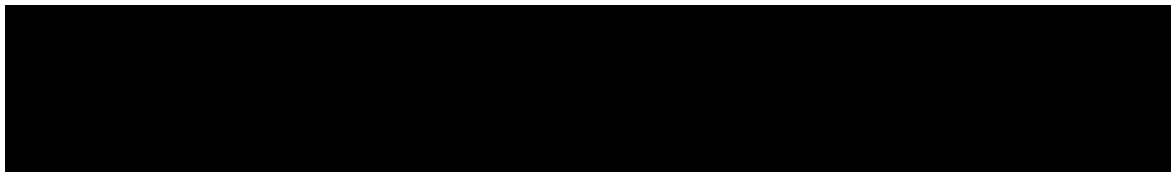
No.

- f. **Provide an explanation if the electric provider retired fewer Certificates in M-RETS than the amount required for 2015 RPS compliance.**

NA

**6. Describe implementation plans for meeting RPS requirements in 2016 and beyond.**

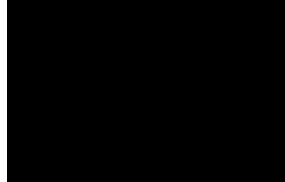
- a. **How many Certificates or RRCs does the electric provider have "banked" that are eligible for possible future WI RPS compliance? When will these Certificates or RRCs cease to be eligible for use in compliance with the WI RPS? How many of the electric provider's banked WI RPS eligible Certificates or RRCs does the electric provider intend to use for WI RPS compliance in the future?**



We expect to use all of the banked RPS eligible Certificates and RRCs in the future.

- b. **Provide an annual forecast (2016-2020) of actual renewable energy (MWh) that will be generated or procured by the electric provider or aggregator, sold at retail to Wisconsin customers, and intended for use with the Wisconsin RPS. If the electric provider is also reporting on behalf of its Wisconsin wholesale customers, please note this and include it in your forecast.**

Wis. RPS



- c. **What action, if any, has the electric provider taken since filing for 2014 compliance to change its renewable energy percentage?**

MGE took no action since its 2011 compliance filing to increase its renewable energy percentage.

- d. **What action does the electric provider intend to take in the future to increase or sustain its renewable energy percentage by 6 percent over its baseline to the amount required in 2016 and beyond? How does the electric provider plan to address any need for additional renewable energy due to future load growth for years beyond 2016?**

MGE currently has adequate renewable resources to satisfy the requirement that it increase its renewable energy percentage by 6 percent over its baseline in 2015 and beyond. MGE's current portfolio of renewable resources should be adequate to meet its renewable energy percentage requirements through the remainder of the current decade.

- e. **What role does purchasing or selling RRCs play in the electric provider's WI RPS compliance implementation plan? Are there any barriers to the purchase or sale of RRCs that the Commission or others should address?**

As indicated in response to Question 5d, MGE began indirectly purchasing renewable energy during 2012 as part of a slice-of-system power purchase agreement (PPA) with another utility. The amount of renewable energy included in MGE's purchase is equal to the overall renewable energy percentage of the supplying utility. All RRCs created from MGE's renewable resources or acquired under the aforementioned PPA are planned for use in meeting either current or future RPS or voluntary Green Power Tomorrow (GPT) requirements and no RRC sales are contemplated.

- f. If the electric provider has already acquired, or soon will acquire, sufficient resources to meet and sustain its 2016 renewable requirements, does the electric provider have any plans to voluntarily increase its renewable resource portfolio beyond what is required by the WI RPS? If so, describe the general plans as well as any factors driving the electric provider to acquire renewable resources beyond that which is required by the WI RPS.**

Through the Community Energy Conversations that MGE completed during the past year, customers encouraged us to continue our addition of renewable sources of generation and reducing carbon emissions. One of the important goals we announced as part of our Energy 2030 framework is to supply 30% of retail energy sales with renewable resources by 2030. As a milestone goal, we will supply 25% of retail energy sales with renewable resources by 2025.

Working with our customers, we will now need to figure out—over time—the specific initiatives, investments, and programs to best accomplish the goals we've set. This will be an evolving and ongoing process. As technologies evolve and come into the market, we'll continue to collaborate with customers to develop our plans.

- g. What other state RPS or similar requirements is the electric provider subject to outside of Wisconsin? What effect do these requirements have on the electric provider's WI RPS compliance implementation plan?**

MGE is not subject to the RPS or similar requirement of another state.

- h. How does regional transmission planning and local interconnection of renewable facilities affect the electric provider's renewable resource planning process? To what extent do transmission and interconnection costs and processes affect the electric provider's renewable resource portfolio?**

MGE currently has adequate resources (owned, under contract, and banked) to meet its projected RPS requirements into the next decade. Consequently, regional transmission planning and interconnection costs will not have a significant effect on the composition of MGE's portfolio for the foreseeable future. However, some of MGE's renewable resources are located in regions that have experienced transmission congestion during periods of the year. New transmission additions and the interconnection of new facilities to the MISO system can and do affect the locational marginal price (LMP) MGE receives for its renewable resources. For example, while the addition of new transmission facilities in a region (e.g., MISO MVP projects) can reduce LMP differentials once in service, outages of existing facilities necessary to accommodate their construction can often increase congestion and increase LMP differentials in the short term. Changes in LMP directly affect the costs to MGE's customers associated with MGE's renewable portfolio.

**i. What other factors have influenced the electric provider's compliance implementation planning process?**

MGE utilizes the renewable energy in its portfolio to meet two purposes: RPS compliance and satisfying demand in MGE's voluntary GPT program. As the relative cost of energy from existing renewable generation facilities either owned by or under contract to MGE has increased due to generally low market power prices (i.e., the differential between renewable energy and market energy has increased at times in recent years), and the premium for participation in GPT has increased accordingly, the level of voluntary renewable purchases by MGE customers has decreased. This has allowed MGE to bank additional renewable energy credits, thereby deferring the date by which MGE will need to add new renewable resources dedicated to RPS compliance.

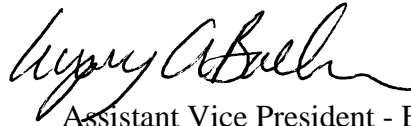
Ms. Janet Wheeler

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The information in response to Questions 1 and 2 has been entered into the Midwest Renewable Energy Tracking System. If you have any questions regarding the RPS compliance and M-RETS tracking in Questions 1-5, please contact Son Trinh at 252-7053. Questions regarding MGE's implementation plans addressed in Question 6 can be addressed to me at 252-4748.

Sincerely,



Assistant Vice President - Energy Planning

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Attachments