



April 13, 2020

Ms. Steffany Powell Coker
Secretary to the Commission
Public Service Commission of Wisconsin
4822 Madison Yards Way
Madison, WI 53705-9100

RE: Docket 5-BS-228: Joint Application of Madison Gas and Electric Company and Wisconsin Public Service Corporation for Approval to Acquire Ownership Interests in Solar Electric Generating Facilities

Dear Ms. Powell Coker:

Wisconsin Public Service Corporation (“WPSC”) and Madison Gas and Electric Company (“MGE”) write to notify the Commission of recent changes in the construction schedule of the first phase of the Badger Hollow solar photovoltaic generating facility (“Badger Hollow I”). The new construction schedule will move the planned in service date by 4 months from December 31, 2020 to April 30, 2021. The change is due to the COVID19 public health emergency in Wisconsin and furthermore will minimize any possible weather related construction delays.

In its April 18, 2019 final decisions in dockets 9697-CE-100 and 9697-CE-101, the Commission issued a Certificates of Convenience and Necessity authorizing the construction of the 300 MW Badger Hollow project and its associated generation tie line by Badger Hollow Solar Farm LLC (“BHSF”). The Commission authorized WPSC and MGE to acquire 100 MW and 50 MW, respectively, of the generating capacity of the Badger Hollow project. This acquisition is known as “Badger Hollow I.”

The Commission capped recovery of the total acquisition costs at \$389.7 million (excluding AFUDC) and prohibited the utilities from proceeding with “any substantial changes in the scope, design, size or location” of the Badger Hollow I project except as provided in the CPCNs. Final Decision at 21-22 (Order Point 7) and 23 (Order Point 11), Docket 5-BS-228 (April 18, 2019). The Badger Hollow CPCN also requires the BHSF to “notify and obtain approval from the Commission before proceeding with any substantial change in the scope, design, size, and location of the approved project.” Final Decision at 40 (Order Point 2, Docket 9697-CE-100 (April 18, 2019).

WPSC and MGE have agreed with BHSF to extend the construction schedule for the facilities associated with the Badger Hollow I acquisition from a completion date of December 31, 2020 to April 30, 2021. The reason for the schedule extension is the COVID-19 pandemic and associated state orders restricting business operations and travel. Absent the schedule extension, BHSF would now be ramping up construction activities, which would require bringing approximately 200 employees and contractors to the project site. Many of these personnel would be construction oversight and experienced craftspeople from various parts of the United States. In addition to the concern about the potential spread of the virus, the parties

are not confident of the housing and other resources currently available to support these personnel predominately in the project area.

For these reasons, WPSC and MGE believe that moving the completion date to late spring will reduce construction activities during the winter months, which can be more expensive due to weather-related delays and additional worker protection requirements.

With this extension, WPSC and MGE do not anticipate that the total acquisition cost of the acquisitions authorized by the docket 5-BS-228 CAs will exceed \$389.7 million (excluding AFUDC). There could be cost impacts in the form of increased AFUDC to the extent the Badger Hollow I project assets are held for four additional months before project completion and potentially increased fuel costs associated with replacement power purchased to replace the anticipated output of the Badger Hollow I project. WPSC and MGE do not expect these increased costs to be material.

The parties are negotiating an amendment to the EPC arrangement to provide for the agreed extension of the Badger Hollow I completion date. In accordance with the Docket 5-BS-228 order, WPSC and MGE will provide the Commission with a copy of the amendment for informational purposes.

Finally, we are assessing the scheduling implications on the second phase of the Badger Hollow solar project (“Badger Hollow II”) that was approved in Docket 5-BS-234 and will report to the Commission if there are any future changes.

Should you have any questions regarding this proposed minor modification, please contact Rich Stasik at (414) 221-3685 or richard.stasik@wecenergygroup.com.

Respectfully submitted,

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