



Madison Gas and Electric Company

P.O. Box 1231
Madison, WI 53701-1231
608-252-7000

Public Service Commission of Wisconsin
RECEIVED: 05/15/14, 3:04:41 PM

Gregory A. Bollom
Assistant Vice President -
Energy Planning
608-252-4748

your community energy company

May 15, 2014

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 Impacts of the Renewable Portfolio Standard (RPS) for Years 2011- 2012:
Docket No. 5-GF-245

Dear Ms. Wheeler:

This is in response to your letter dated April 3, 2014, regarding the Levelized Cost of Energy (LCOE) for facilities, by renewable resource type, that generated RPS energy over the 2011-2012 time period and counted as retail sales to Wisconsin electric customers as reported in Wisconsin RPS compliance dockets (PSC Dockets 5-GF-214 for 2011 and 5-GF-230 for 2012).

- a. **Include the average LCOE in dollars per megawatt-hour (\$/MWh) for facilities, by renewable resource type, that generated RPS energy over the 2011-2012 time period and counted as retail sales to Wisconsin electric customers as reported in Wisconsin RPS compliance dockets (PSC Dockets 5-GF-214 for 2011 and 5-GF-230 for 2012).**

The average LCOE in dollars per \$/MWh are from facilities that generated RPS energy over the 2011-2012 time period and counted as retail sales to Wisconsin electric customers are included in the table below.

- b. **Provide the information in the form of the following table.**

Average LCOEs for 2011-2012 Period by Renewable Resource Type

Renewable Resource Type	Average LCOE (\$/MWh)
Wind	
Solar	
Biomass - Biogas From Digesters	
Biomass - All Other Resources	
Other - Hydro	
Total	

- c. **If the electric provider serves other Wisconsin electric providers through RPS energy wholesale contracts, include facilities that served these wholesale customers and list the wholesale customers that were served during the 2011-2012 time periods.**

MGE does not serve other Wisconsin electric providers through RPS energy wholesale contracts.

- d. **Do not include facilities that were part of the electric provider's renewable energy portfolio prior to the time the current RPS went into effect in April 2006.**

No facilities that were part of the electric provider's renewable energy portfolio prior to April 2006 are included in the table in b.

- e. **Do not include facilities that were primarily used for a green pricing program, another state's RPS, or some program.**

No facilities that were primarily used for a green pricing program are included in the table in b.

- f. **Include a list of all facilities with an in-service date before January 1, 2007, along with MRETS ID, that you included in the average LCOE for the 2011-2012 period (this will help Commission staff identify older facilities that were added to the electric provider's portfolio after the current RPS was enacted and for which should be attributed to the current RPS).**

No facilities with an in-service date before January 1, 2007, are included in the table in b.

- g. **The calculation for the LCOE should include all costs for these facilities that will be recovered by Wisconsin retail ratepayers, divided by the applicable energy production during either (1) the entire expected useful life of the facility if owned by the electric provider or (2) during the applicable purchase power agreement period (2011-2012) if output is purchased by the electric provider.**

The table in b. complies with the conditions in g.

- h. **The average LCOE for renewable resources should be weighted by each facility's applicable energy production as described in g. above.**

The average LCOE in the table in b. is based on a weighting of each facility's applicable energy production.

Ms. Janet Wheeler

Page 3

May 15, 2014

- i. **Total costs within the LCOE calculation should be reduced by all anticipated Production Tax Credits, Investment Tax Credits, and/or any other applicable credits or grants from federal, state, municipal, tribal governments, or other organizations.**

No Production Tax Credits, Investment Tax Credits, and/or any other applicable credits or grants from federal, state, municipal, tribal governments, or other organizations are applicable.

If you have any questions regarding this information, please contact me at 252-4748.

Sincerely,

A handwritten signature in black ink, appearing to read "Gregory A. Ball". The signature is fluid and cursive, with a long horizontal stroke at the end.

Assistant Vice President - Energy Planning

dsh