

**Progress Report of Sustainable Madison Committee Energy Work Group
Concerning Collaboration between City of Madison and MGE
December, 2016**

In June 2016, the City of Madison Common Council (“Council”) voted to adopt an Energy Work Plan (the “Plan”), which, at the request of the Council, had been developed in 2015 and 2016 by a subgroup of the Sustainable Madison Committee (“SMC”) and approved by the SMC. The Plan is intended to expand the City’s efforts to promote renewable energy and energy efficiency in order to help the City meet, if not surpass, the Carbon and Energy Goals set forth in the City’s 2011 Sustainability Plan. These Goals, which, in accordance with the Plan, are currently being reviewed by an SMC subgroup, include achieving 80% carbon reduction by 2050; obtaining 25% electricity, heating and transportation energy from clean energy sources by 2025; and reducing overall energy consumption by 50% by 2030.

Prior to the Council’s adoption of the Plan, Madison Gas and Electric (“MGE” or “Company”) expressed public support of the City’s Plan. The Company believes the Plan includes areas of mutual interest in which to move forward to accomplish goals shared by the City and by MGE. MGE’s Energy 2030 framework, which was developed by MGE with input from MGE’s customers and communities, includes carbon dioxide emissions and renewable energy goals, among other objectives. Under Energy 2030, MGE has a goal of providing 25% of its retail electricity with renewables by 2025 and 30% by 2030, as well as to reduce carbon emissions by 40% over 2005 levels by 2030. The Energy 2030 Framework also makes it a priority to deepen the Company’s engagement with its customers. Collaborating with the City in achieving common energy goals is a key component of such engagement.

Since Council adoption of the Plan, members of the SMC, together with representatives of the City and MGE, have been meeting regularly to identify areas where MGE and the City can collaborate in working toward a cleaner energy future. Although we have not finalized an agreement, we are pleased to report that there are five general areas where we believe the City and the Company can work together in the near term to substantially advance clean energy, energy efficiency and conservation opportunities in our community. These areas include the following:

1. Expansion of Solar

To expand access to solar energy, options discussed by the group include developing solar installations on City property, both as a community solar project similar to the Shared Solar program being successfully implemented by MGE with the City of Middleton, as well as new installations to power City facilities. Other possibilities include developing a pilot project to explore pairing solar installations with storage technologies and identifying properties for MGE’s solar outdoor lighting program currently pending approval by the Public Service Commission of Wisconsin (“PSCW”).

2. Expanded Use of Electric Vehicles

With reduced or zero emissions, electric vehicles (EVs) also represent a cleaner technology on which the City and MGE could work in partnership. Possible initiatives under consideration include expanding the use of EVs in the City’s vehicle fleet/Metro transit fleet; expanding and/or updating charging infrastructure; and/or cultivating incentive offers for EVs or EV-related demonstration projects.

3. Promote Energy Efficiency

Saving or conserving energy is one important way in which everyone can participate in a cleaner energy future. With that in mind, MGE and City/SMC representatives are exploring effective ways to increase awareness and distribution of energy efficiency and conservation efforts and education in the community, including how to aggregate usage data and improve access to Focus on Energy programs for multifamily housing units, especially in low income populations. Other areas of potential collaboration include studying the expanded use of high efficiency, LED street lighting; assisting the City in successfully implementing its voluntary benchmarking program; and developing new pilot and demonstration projects designed to promote customer engagement and optionality around energy efficiency.

4. Pursue Social Equity and Economic Development Topics

Economic development and the promotion of racial and social equity are key aspects of the Sustainable Madison Plan. MGE and City/SMC representatives are therefore committed to identifying specific job creation and economic development opportunities as part of their collaborative efforts in the energy efficiency and renewable energy areas. In addition to ensuring that Focus on Energy programs are available to low income beneficiaries, MGE and the City will prioritize possible investment opportunities and demonstration projects that include a social equity, education and/or economic development component throughout our community.

5. Explore Transportation Ideas

MGE and the City have identified the transportation sector as an area with significant potential for achieving substantial reductions in greenhouse gas emissions. In addition to ideas designed to promote the use of EVs, as described above, MGE and City representatives are committed to exploring additional areas of collaboration in this sector.

6. Collaborate with Dane County

MGE and the City will collaborate with the Dane County Office of Energy and Climate Change, and as members of the Dane County Climate Change Action Council (DCCCAC), in efforts to achieve common energy goals regionally.

The list above is a sampling, not an exhaustive list of possible areas for collaboration and prioritization. Members continue to discuss other possible opportunities that meet shared objectives. Pursuant to the Work Plan, these commitments will be memorialized in a Collaboration Agreement, which we expect to be completed within the next few months.

The City and MGE already have a long history of partnering to get things done to improve our community, including, for example, technology demonstrations such as the solar installation at Goodman Pool, the green roof at the Central Library and the MPower program to reduce carbon emissions, among others. With that in mind, the group looks forward to continued constructive dialogue and progress toward common goals.

Members of this collaborative work group include:

From the City-- Katie Crawley, Mayor's Office; Jeanne Hoffman, City Facilities and Sustainability Manager; Rajan Shukla, SMC Chair; Richard Heinemann, SMC member; and Michael Vickerman, SMC Member

From MGE -- Jeffrey Keebler, Lynn Hobbie, Donald Peterson, Cari Anne Renlund, Annette Miller and John Sumi