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Madison Water Utility
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MEMORANDUM

Date: August 4, 2026

To: Mayor Satya Rhodes Conway
City of Madison Common Council
City of Madison Finance Committee
City of Madison Water Utility Board

From: Pete Holmgren, P.E. – Chief Engineer, Water Utility
Joseph Grande – Acting Interim General Manager, Water Utility

Subject: Authorizing electric service agreements for the purchase of backup generation service with Madison Gas & Electric Company, including the installation of a standby generator, on Madison Water Utility facility sites

RECOMMENDATION

Staff recommend authorizing electric service agreements for the purchase of backup generation service with Madison Gas & Electric Company (MGE), including the installation of a standby generator, on Madison Water Utility (MWU) facility sites.

BACKGROUND

MWU's water supply runs primarily on its pumps, which run on electricity, and reliability is significantly improved with on-site standby generation where possible. MWU and MGE have multiple ongoing arrangements in place that provide MGE standby generators at MWU facilities. Future generators may also be offered to MWU by MGE for similar purposes, at mutually beneficial MWU facility locations to be determined.

These arrangements are subject to Wisconsin Public Service Commission (PSC) oversight through MGE's Backup Generation Service (BGS) tariff. The results are reduced costs for MWU compared to the costs that MWU would otherwise need to account for to outright own, operate, and maintain their own generator at any given facility.

Facility sites subject to these agreements are determined by MWU staff and presented to the Common Council as part of the site layout approval process for the facility sites.

FISCAL IMPACTS

No additional funds are required. Operating costs for generators are variable and monthly based on energy usage and fuel costs.

LEGISLATIVE PATH

1. Common Council (Intro): 8/4/2026
2. Finance Committee: 8/25/2026
3. Water Utility Board: 8/31/2026
4. Common Council (Final): 9/8/2026

ATTACHMENTS

1. Memo (this document)