

# **MGE Community Environmental Advisory Group (CEAG) Meeting Minutes December 8, 2010**

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## **CEAG Members Present:**

Rich Bogovich	Marsha Rummel
Lynn Hobbie	Steve Schultz
Jeff Jaeckels	Eileen Vandoros

## **CEAG Members Absent:**

John Coleman	Lindsey Lee
Pete Goepfert	Judy Olson
John Imes	Jo Oyama-Miller

## **MGE Resource Employees Present:**

Laura Coleman  
Kristine Euclide  
Angela James

## **Others Present:**

Denise Hilleshiem (Note Taker)  
Kim McCutcheon (Wisconsin Department of Natural Resources)  
Scott Thornton (Marquette Neighborhood Association)

## **Agenda Item 1 - Welcome, Call to Order, Review Today's Agenda, Review Previous Meeting Minutes (Kristine Euclide)**

At 7:36 a.m., Kristine Euclide called the meeting to order, welcomed, and thanked everyone for coming. She noted that Scott Thornton, President of the Marquette Neighborhood Association, was attending on John Coleman's behalf.

Kris reviewed today's agenda and minutes from the August 11, 2010, meeting. A revision to the minutes was made regarding the plug-in hybrid electric vehicle pilot program. MGE plans to have 16 charging stations. The minutes were approved as revised.

## **Agenda Item 2 - 2010 Environmental Responsibility Report (Jeff Jaeckels)**

Jeff Jaeckels presented highlights from the *2010 Environmental Responsibility Report* (Report) issued two months ago.

### ***Executive summary***

The purpose of the Report is to communicate environmental performance to MGE's shareholders and customers. The Report is available on MGE's Web site.

# MGE Community Environmental Advisory Group (CEAG) Meeting Minutes

## December 8, 2010

---

### *Proactive environmental approach*

- MGE has met the major goals of its 10-year supply plan, Energy 2015, five years early.
  - The primary fuel at Blount is now natural gas. Coal will be discontinued entirely by the end of 2011.
  - Elm Road Generating Station (ERGS) at Oak Creek is a significantly cleaner and more efficient coal resource. MGE owns about 100 megawatts (MW) of this station.
  - Renewable energy resources have been greatly expanded. Today, MGE has more than 12 times the wind capacity it had in 2005.
  - MGE already meets year 2015 renewable portfolio standards.
  - MGE's energy efficiency programs and conservation by customers have saved 420,000 megawatt-hours (MWh) since 2005.
- MGE was awarded the 2009 Utility Green Power Program of the Year award from the U.S. Department of Energy and the U.S. Environmental Protection Agency (EPA). This award recognizes MGE for growing its wind power program and the number of participants who purchase the equivalent of 100 percent of their energy in wind and solar power.
- MGE proactively helps customers save energy and become more sustainable through a wide range of programs and services.

### *Controlling air emissions*

MGE continues to improve the performance of its generation fleet.

- Blount Station (Blount), Madison - Switching from coal to natural gas.
- Columbia Energy Center, Portage - Recent and future emission controls. MGE owns 22 percent of this power plant operated by Alliant Energy.
- ERGS, Oak Creek - Advanced environmental control technologies dramatically reduce air emissions. MGE owns approximately an 8 percent share in this plant operated by We Energies.

### Control of mercury emissions

- MGE emitted 131 pounds of mercury in 2009, down from 140 pounds in 2004.
- A new mercury control system was placed in use on Columbia Unit 2 in 2010 which will result in further reductions this year.
- Columbia's co-owners have submitted a request to the Public Service Commission of Wisconsin (PSCW) to install additional controls at this facility. The request includes additional mercury and sulfur dioxide (SO<sub>2</sub>) controls.

# MGE Community Environmental Advisory Group (CEAG) Meeting Minutes

## December 8, 2010

---

### Regulated emission rates

- Nitrogen oxides (NO<sub>x</sub>) - (Major components of ozone and smog.) In 2009, MGE emitted 1.41 lbs./MWh of NO<sub>x</sub> compared to 2.73 lbs./MWh in 2004. The reductions are mainly from tuning boilers which emit NO<sub>x</sub> formed during the combustion process.
- SO<sub>2</sub> - Sulfur in coal. In 2009, MGE emitted 6.88 lbs./MWh compared to 12.54 lbs./MWh in 2004.
- Particulate matter - In 2009, MGE emitted 0.52 lbs./MWh compared to 0.66 lbs./MWh in 2004. The slight reduction in particulates is due mainly to operational controls.

### *Growing renewable energy*

- MGE-owned and operated solar installations now number more than 20 photovoltaic (PV) systems. MGE has also expanded its Clean Power Partners Program which encourages customers to install PV systems and sell the energy back to MGE to receive a quicker payback.
- For almost a decade, MGE has purchased from a local landfill electricity produced by methane (a greenhouse gas (GHG) 20 times more potent than carbon dioxide (CO<sub>2</sub>)) which would otherwise dissipate into the atmosphere. In 2009 alone, MGE purchased enough methane from the Dane County Landfill to serve 4,200 homes.
- MGE's wind energy assets have grown from approximately 11 MWs in 1999 to 137 MWs in 2009. MGE currently owns two wind farms and purchases wind power from other projects. Capacity is well beyond what is mandated by State law.

### *Addressing climate change*

- MGE's Energy 2015 Plan has been addressing climate change in a variety of ways.
  - Modernization of MGE's fleet with more efficient generation, the addition of more renewable generation, and increased energy efficiency by customers are projected to result in reduced GHG emissions.
  - Projected CO<sub>2</sub> reductions - 17 percent decrease in CO<sub>2</sub> rates and 21 percent decrease in total CO<sub>2</sub> emissions are greater than originally forecast. Included are emissions from MGE-owned generating units, power purchase agreements, and all power projected to be purchased on the regional Midwest ISO market. Significant CO<sub>2</sub> emissions reductions will occur as MGE switches from coal to natural gas at Blount.

# MGE Community Environmental Advisory Group (CEAG) Meeting Minutes

## December 8, 2010

---

- Federal regulations
  - MGE meets all current applicable federal environmental regulations and looks for opportunities to go beyond regulations where possible.
  - Regulated GHGs include CO<sub>2</sub> (the major one), methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride.
  - The EPA currently has a mandatory reporting rule and permitting rule applicable to GHGs. MGE is making reduction efforts in anticipation of these regulations.

### *Leading voluntary efforts*

- Voluntary programs highlighted in the Report include the Environmental Cooperative Agreement, ISO 14001 certification, Clean Air Action Days, vehicle idling policy, prairie restoration, and Adopt-a-Highway.

### *Enhancing operations*

- Ongoing improvements to MGE facilities and fleet continue to green up MGE's operations.
- Every MGE employee is a member of the MGE Green Team and has a responsibility to the environment at work and home. MGE also has a smaller committee of employees called Green Team Leaders who help incorporate environmental principles across the Company.

### *Testing technology*

MGE is always looking for better ways to do things. Examples include:

- Solar projects
- Stormwater filtration system
- Urban turbine in Fitchburg
- Electric vehicle charging stations

### *Working with our customers*

- MGE is committed to engaging customers.
- Some venues for this include:
  - CO2gether.org
  - Green View
  - Online bill management
  - Earth Day education

# MGE Community Environmental Advisory Group (CEAG) Meeting Minutes

## December 8, 2010

---

### *MGE's Environmental Policy*

- Reduce impacts
- Exceed compliance
- Educate employees
- Improve continuously
- Communicate and work with others

### *Questions and Comments*

- A CEAG member asked if MGE has a sense of how the Clean Power Partners Program compares to what other utilities are doing.

MGE responded that though it doesn't have precise details, there are indications that MGE is ahead. This program began as a pilot and was so popular with Green Power Tomorrow customers that MGE introduced a solar buyback program inviting customers to sell all of their solar energy back to MGE at \$0.25 per kilowatt-hour.

- A CEAG member asked how MGE is working with the City of Madison staff on the grants for energy conservation and efficiency coming from federal stimulus money.

MGE is providing resources for its customers (energy efficiency brochures, Home Energy Line staffing, and other energy expertise) which dovetail with the City's efforts and help increase the community's awareness of what's available.

### **Agenda Item 3 - Emerging Environmental Regulations (Jeff Jaeckels and Laura Coleman)**

- MGE closely monitors all emerging state and federal environmental regulatory issues and proposed rules applicable to its operation in order to plan and budget for the future and ensure MGE's compliance.
- MGE uses an environmental risk analysis (part of its Environmental Management System) to track these developments and initiatives and prioritize them based on the degree of impact to MGE.
- The issues and rules that MGE monitors fall into three major categories which Jeff and Laura illustrated through examples:
  - Pre-proposed regulations (on the horizon but not yet in process), i.e., National Emissions Standards for Hazardous Air Pollutants (NESHAPS) - Utility Steam Generating Units; Cooling Water Intake Structure (316b); and Greenhouse Gas Regulation - Prevention of Significant Deterioration and Title V Tailoring Rule.
  - Proposed regulations (in process, including public comment), i.e., Transport Rule and Phosphorus Nutrient Standards.

# MGE Community Environmental Advisory Group (CEAG) Meeting Minutes

## December 8, 2010

---

- Final regulations (implementation certain and/or in progress), i.e., Greenhouse Gas Mandatory Reporting Rule (GHG MRR), National Emission Standards for Reciprocating Internal Combustion Engines (RICE), Thermal Regulations, and Flammable, Combustible, and Hazardous Liquids Codes (COMM 10).

### Agenda Item 4 - Items to Share

- Jo Oyama-Miller who would have been available to share insights from the Obihiro (Madison Sister City) delegation's trip to Madison and her own trip to Obihiro was unable to make today's meeting.
- Scott Thornton stated that the Williamson Street neighborhood would like to make the upcoming street construction as environmentally friendly as possible (e.g., water runoff, filtration, etc.). A majority of existing trees will be lost in the construction and need to be replaced. There is also a desire to underground utility wires in blocks where this has not yet been done. (Most residents in the 700 to 800 blocks already have underground wires.) The Greater Williamson Street Neighborhood Association (GWABA) is asking MGE to cooperate in facilitating undergrounding. A group of very active neighbors have been meeting with the Mayor.

MGE indicated that it will consider the neighborhood's needs and wishes and cooperate wherever feasible. MGE operation's staff has been participating in the neighborhood's meetings with the Mayor and will continue to do so.

- MaGicEnergy - MGE's energy/environmental education program for elementary and middle school students was recognized for its green content and innovative "edutainment" learning approach at an international forum in October. Over 15,000 children and adults in MGE's service area have seen this program since 2002. A video of the program with highlights from an actual performance can be seen at <http://www.mge.com/greenview>.

The meeting was adjourned at 8:55 a.m.

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