

MGE Community Environmental Advisory Group (CEAG) Meeting Minutes

March 8, 2006

CEAG Members Present:

Rich Bogovich	Jo Oyama-Miller
John Coleman	Mike Ricciardi
Pete Goepfert	Steve Schultz
Lindsey Lee	Eileen Vandoros
Judy Olson	

CEAG Members Absent:

Lynn Hobbie
John Imes

MGE Resource Employees Present:

Kristine Euclide
Angela James
Karen Matteoni
Susan Rosenberg
Sonjia Short

Others Present:

Barb Blum (Note Taker)
Kim McCutcheon (Wisconsin Department of Natural Resources)
John Shenot (Wisconsin Department of Natural Resources)
Peter Wise (Facilitator)

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

At 6 p.m., Kristine Euclide called the meeting to order. She welcomed everyone and thanked them for coming.

Peter Wise reviewed today's agenda and asked if anyone had questions or comments regarding the draft minutes from the December 15, 2005, meeting. Hearing none, the December 15, 2005, meeting minutes will be finalized.

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Agenda Item 2 - 2005 Environmental Cooperative Agreement Annual Report (Susan Rosenberg, Mike Ricciardi)

Susan Rosenberg gave a Power Point presentation regarding the 2005 Environmental Cooperative Agreement Annual Report.

Presentation Highlights:

- The purpose of the report is to:
 - ✓ Present findings of our annual performance evaluation.
 - ✓ Report our environmental performance and compliance with the ECA.
 - ✓ Provide a draft of each annual assessment to the DNR and CEAG for review and comment prior to final publication.
 - ✓ Meet the ECA requirement for an annual report to be completed by the anniversary date of the baseline submittal (March 24).

- Section 1 of the report consists of ECA 2005 performance data including the following:
 - ✓ Alternate fuel usage
 - ✓ Bio-diesel fuel
 - ✓ Regulated emissions
 - ✓ Environmental Management System
 - ✓ Boiler 8 Combustion Improvement Study
 - ✓ Stormwater Demonstration Project
 - ✓ Noise procedure
 - ✓ Mercury thermostat recycling
 - ✓ Beneficial ash use
 - ✓ Mercury Inventory and Removal Plan
 - ✓ Diesel generator emission reductions
 - ✓ Beyond ECA - renewable energy projects

- Section 2 of the report consists of the compliance audit results and corrective action. Following are the audit results:
 - ✓ No unauthorized release of pollutants.
 - ✓ No threat to public health or the environment.
 - ✓ Findings related primarily to record keeping and reporting.
 - ✓ No ECA findings.

- MGE completed all corrective actions between November 11, 2005, and March 1, 2006.

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Agenda Item 3 - CEAG Member Input and/or Items to Share

- CEAG members commented that Blount Station is now allowed to burn more PDF but burned less in 2005 than 2004. Why?

MGE responded that less PDF was burned because of a six-week outage on Boiler 9 and because the boilers have been operating more frequently at less than 60 percent of full load. The air permit requires Blount Station to run at least at 60 percent full load before burning PDF.

- CEAG members asked if there are federal or state regulations that would result in additional PDF limits.

MGE responded that PDF combustion is limited by the Wisconsin Hazardous Air Pollutant rule.

It was also noted that according to Wisconsin rules, PDF is a fuel subject to regulations not applicable to coal because coal is a virgin fossil fuel. Alternative fuels have to meet standards that others do not.

Some limits in the state's Wisconsin Hazardous Air Pollutant rule were changed when the DNR revised the rule. In the ECA, those limits were listed as part of the agreement for PDF. The DNR recommended that the ECA limits should be updated to reflect the revised rule.

- CEAG members asked if dioxins are being tracked yet.

MGE responded that the only tracking being done is not site specific. It is very difficult to determine how much is being emitted because the emission levels are so low. Research is being done by the Electric Power Research Institute to improve the method of measuring dioxin emissions.

Also, the EPA is trying to develop an inventory of sources that are contributing to dioxin emissions. There's concern that a major source is wood preservatives. MGE continues to monitor the research and will let CEAG members know about any new developments.

- CEAG members asked if PDF will continue to be burned once coal is phased out at Blount Station.

MGE responded that in its Energy 2015 Plan, coal burning will end; however, the future of burning PDF has not yet been determined.

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- CEAG members asked if the reduction of small diesel trucks reflected a total fleet reduction.

MGE responded that it is a reduction of just the small diesel trucks.

- CEAG members asked if MGE sells or gives away its ash.

MGE responded that currently it is exploring the possibility of transporting bottom ash to Alliant Energy to be co-mingled with their ash at the Columbia Plant near Portage and then used as a sub-base material for road-improvement projects. Fly ash is sold; however, MGE has to pay the cost of transporting it. MGE continues to search for new reuse opportunities for the ash to be used more cost-effectively.

- CEAG members inquired about items in the ECA that MGE has not done yet; i.e., cogeneration study and thermal study. Some suggested such items be mentioned in the Annual Report.

MGE responded that it has not completed the thermal study because the DNR has not yet finalized the thermal discharge rules. MGE will include these items in the final version of the Annual Report.

- CEAG members asked how many of the conformance exceptions were new and how many are ongoing.

MGE responded that there was only one repeat finding in the audit. Used oil labeling was still an issue.

- CEAG members asked if these conformance exceptions may occur because different people look at things differently.

MGE responded that this is always possible; however, having a rigorous environmental management system and independent audits help reduce the likelihood this will happen. Few companies commit to doing this kind of audit and even fewer make the results public. MGE is committed to the principle and practice of continual improvement. This past year, the overall number of exceptions declined compared to the previous year. Out of the total number of exceptions, one was a repeat.

- CEAG members asked if the DNR has an "unofficial" sense as to how the ECA is "shaping up" relative to other companies that have undertaken this same process.

DNR representative, John Shenot, commented that MGE has been fully certified and continues to be one of the best in terms of community involvement and meeting deadlines.

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When the DNR is audited yearly, MGE's ECA draws fewer questions from auditors than any other.

- Some CEAG members expressed disappointment that they were not involved in any of the discussions regarding MGE's Energy 2015 Plan.

MGE responded that the role of CEAG is defined in the ECA. CEAG members are to make sure requirements of the ECA are met and provide community input and advice to MGE.

Because of the sensitive information surrounding MGE's Energy 2015 Plan, including impacts on Blount Station employees, it was imperative that the communication and timing of the release of this Plan be done in accordance with MGE's communication plan. No one other than top management was informed of the Plan before the scheduled release of it.

As part of the ECA, MGE completed an analysis of options to reduce emissions for Blount Station and presented that report to CEAG in August 2003. MGE listened to CEAG member comments at that time and considered that input with others as we crafted the Energy 2015 plan.

- CEAG members commented that they were surprised MGE is eliminating some capacity.

MGE responded that the decision to no longer burn coal at Blount Station led to a determination that just the two newest boilers at Blount Station could remain operable when natural gas supplants coal. The older boilers would have to be eliminated.

- CEAG members asked how MGE will replace that capacity and if it would come from the WCCF.

To help replace capacity that will no longer be produced at Blount Station, MGE will increase its use of renewable energy and its energy conservation capacity. MGE is also investing in a new coal-fired plant at Elm Road that will be operated by WE Energies.

- CEAG members asked if MGE is actively pursuing customers for steam and chilled water so another cogeneration facility could be built.

MGE stated that it has been involved in discussions with the State about this issue; however, no plans have been made.

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- CEAG members asked about the optimum requirements for cogeneration; i.e., distance.

MGE responded that the maximum viable distance for steam transportation is only a few miles. Another key cogeneration requirement is matching the steam and electrical loads, which is an important reason it worked at the UW-Madison.

- CEAG members asked if the need to import electricity can be projected for 2015.

MGE responded that this can be estimated based on projected electrical load growth vs. projected MGE capacity. This figure will remain approximately 75 to 80 percent.

MGE also stated that its Energy 2015 Plan depends on American Transmission Company (ATC) improving transmission capacity throughout Dane County to maintain system reliability.

Some CEAG members noted that ATC is already receiving resistance to their transmission projects and that wherever energy comes from, there will be a cost for someone.

- CEAG members inquired if there is any possibility MGE could supply heating and cooling for a new development? Is there a chance to partner with the City?

MGE responded that this idea has been discussed with the City; however, no one single project is large enough to accomplish this in a cost-effective manner.

- CEAG members commented that they'd like to hear about MGE's long-range planning at the next CEAG meeting.
- CEAG member Rich Bogovich shared with the group that he has taken a position working for Franklin Energy Services, a subcontractor for Focus on Energy. He asked the group to give his name as a contact to any multifamily developers not already involved with "green" design.
- CEAG member Jo Oyama-Miller shared with the group that recently she traveled to Yellowstone National Park and learned about their use of biodiesel. She learned the key impact of such use was a major improvement in air quality. Improvements in plant growth and livestock were also observed.

MGE responded that it would like to expand the use of biodiesel. As yet, there are not enough depots around our area to do that.

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- On behalf of CEAG member John Imes, Eileen Vandoros handed out two articles. One article, written by John, talks about how Wisconsin can lead the nation toward energy independence through its bio-economy. The other article announces the piloting by the State of Wisconsin of a "green" certification program for inns and eateries. Both articles can be found at www.travelgreenwisconsin.com by clicking on the News & Updates link.
- Peter Wise noted that any comments regarding the final report are due to Eileen Vandoros by Wednesday, March 15.

Kristine Euclide and Peter Wise thanked everyone for coming.

Meeting adjourned at 8 p.m.

bjb