MGE Energy Inc.

2024 CDP Corporate Questionnaire 2024

Word version

Important: this export excludes unanswered questions
This document is an export of your organization's CDP questionnaire response. It contains all data points for questions that are answered or in progress. There may be questions or data points that you have been requested to provide, which are missing from this document because they are currently unanswered. Please note that it is your responsibility to verify that your questionnaire response is complete prior to submission. CDP will not be liable for any failure to do so.
Terms of disclosure for corporate questionnaire 2024 - CDP

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01/13/2025, 03:35 pm

C1. Introduction

(1.1) In which language are you submitting your response?

Select from:

☑ English

(1.2) Select the currency used for all financial information disclosed throughout your response.

Select from:

☑ USD

(1.3) Provide an overview and introduction to your organization.

(1.3.2) Organization type

Select from:

☑ Publicly traded organization

(1.3.3) Description of organization

Madison Gas and Electric (MGE) generates and distributes electricity to 163,000 customers in Dane County and purchases and distributes natural gas to 176,000 customers in seven south-central and western Wisconsin counties. MGE is a subsidiary of MGE Energy (Nasdaq: MGEE), an investor-owned public utility holding company based in Madison, Wis. MGE's roots in the Madison area date back more than 150 years. Assets total nearly 2.7 billion. In 2023, revenue was approximately 690 million. MGE is undergoing a significant clean energy transition with a projected billion dollars in investment in renewable energy and battery storage expected from 2015—when MGE announced its Energy 2030 framework—through 2027. Completed and proposed projects amount to more than 450 megawatts of clean energy and battery storage expected by 2028. These investments, combined with MGE's ongoing transition from coal, will help the company achieve its carbon reduction goals. We are pleased to present our transition information within this Climate Change disclosure. As your community energy company, MGE continues to work toward its carbon reduction goals, pursuing globally recognized decarbonization strategies to reduce carbon emissions from electric generation at least 80% by 2030 (based on 2005 levels) and to achieve net-zero carbon electricity by 2050. By mid-2026, MGE expects to have eliminated approximately two-thirds of the company's current coal-fired generation capacity. MGE's remaining use of coal is expected to be further reduced by the end of 2030, and the company expects to have zero ownership of coal-fired generation by the end of 2032. This year's progress toward our goals also includes new products and services for our customers. MGE recently introduced a new option to our long-standing green pricing program for our electric customers; a renewable natural gas option for our gas customers to offset their natural gas usage; and, we have submitted for regulatory review an additional community solar program that includes an

option for low-income households. We also continue to work with residential and business customers to expand electric vehicle (EV) charging and to facilitate demand response management of EV charging. MGE also has a goal to achieve net-zero methane emissions from its natural gas distribution system by 2035. We intend to meet our sustainability goals while maintaining our fundamental commitments to safe, reliable, affordable energy and to community-focused customer service. This report contains forward-looking statements that reflect management's current assumptions and estimates regarding future performance and economic conditions— especially as they relate to economic conditions, future load growth, revenues, expenses, capital expenditures, financial resources, regulatory matters, and the scope and expense associated with future environmental regulation. These forward-looking statements are made pursuant to the provisions of the Private Securities Litigation Reform Act of 1995. Words such as "believe," "expect," "anticipate," "estimate," "could," "should," "intend," "will," and other similar words, and words relating to goals, targets, and projections, generally identify forward-looking statements. These forward-looking statements are subject to known and unknown risks and uncertainties that may cause actual results to differ materially from those projected, expressed, or implied. MGE Energy and MGE undertake no obligation to release publicly any revision to these forward-looking statements to reflect events or circumstances after the date of this report.
[Fixed row]

(1.4) State the end date of the year for which you are reporting data. For emissions data, indicate whether you will be providing emissions data for past reporting years.

	End date of reporting year	Alignment of this reporting period with your financial reporting period	Indicate if you are providing emissions data for past reporting years
	12/31/2023	*Select from:* ☑ Yes	*Select from:* ☑ No

[Fixed row]

(1.4.1) What is your organization’s annual revenue for the reporting period?

690431

(1.5) Provide details on your reporting boundary.

	Is your reporting boundary for your CDP disclosure the same as that used in your financial statements?
	Select from: ☑ Yes

[Fixed row]

(1.6) Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?

	Does your organization use this unique identifier?	Provide your unique identifier
Ticker symbol	*Select from:* ☑ Yes	*MGEE*

[Add row]

(1.7) Select the countries/areas in which you operate.

Select all that apply

☑ United States of America

(1.16) In which part of the electric utilities value chain does your organization operate?

Electric utilities value chain

☑ Distribution

☑ Electricity generation

Other divisions

☑ Gas storage, transmission and distribution

☑ Smart grids/demand response

(1.16.1) For your electricity generation activities, provide details of your nameplate capacity and electricity generation specifics for each technology employed.

Coal - Hard

(1.16.1.1) Own or control operations which use this power generation source

Select from:

☑ Yes

(1.16.1.2) Nameplate capacity (MW)

317

(1.16.1.4) Net electricity generation (GWh)

1359.7

Lignite

(1.16.1.1) Own or control operations which use this power generation source

Select from:

☑ No

Oil

(1.16.1.1) Own or control operations which use this power generation source

Select from:

☑ Yes

(1.16.1.2) Nameplate capacity (MW)

60

(1.16.1.4) Net electricity generation (GWh)

0.5

Gas

(1.16.1.1) Own or control operations which use this power generation source

Select from:

☑ Yes

(1.16.1.2) Nameplate capacity (MW)

479

(1.16.1.4) Net electricity generation (GWh)

567

Sustainable biomass

(1.16.1.1) Own or control operations which use this power generation source

Select from:

☑ No

Other biomass

(1.16.1.1) Own or control operations which use this power generation source

Select from:

☑ No

Waste (non-biomass)

(1.16.1.1) Own or control operations which use this power generation source

Select from:

☑ No

Nuclear

(1.16.1.1) Own or control operations which use this power generation source

Select from:

☑ No

Fossil-fuel plants fitted with carbon capture and storage

(1.16.1.1) Own or control operations which use this power generation source

Select from:

☑ No

Geothermal

(1.16.1.1) Own or control operations which use this power generation source

Select from:

☑ No

Hydropower

(1.16.1.1) Own or control operations which use this power generation source

Select from:

☑ No

Wind

(1.16.1.1) Own or control operations which use this power generation source

Select from:

☑ Yes

(1.16.1.2) Nameplate capacity (MW)

134

(1.16.1.4) Net electricity generation (GWh)

370.2

Solar

(1.16.1.1) Own or control operations which use this power generation source

Select from:

☑ Yes

(1.16.1.2) Nameplate capacity (MW)

196

(1.16.1.4) Net electricity generation (GWh)

257.9

Marine

(1.16.1.1) Own or control operations which use this power generation source

Select from:

☑ No

Other renewable

(1.16.1.1) Own or control operations which use this power generation source

Select from:

☑ No

Other non-renewable

(1.16.1.1) Own or control operations which use this power generation source

Select from:

☑ No

Total

(1.16.1.1) Own or control operations which use this power generation source

Select from:

☑ Yes

(1.16.1.2) Nameplate capacity (MW)

1186

(1.16.1.4) Net electricity generation (GWh)

2555.3
[Fixed row]

(1.24) Has your organization mapped its value chain?

	Value chain mapped	Primary reason for not mapping your upstream value chain or any value chain stages
	Select from: ☑ No, and we do not plan to do so within the next two years	*Select from:* ☑ Not an immediate strategic priority

[Fixed row]

C2. Identification, assessment, and management of dependencies, impacts, risks, and opportunities

(2.1) How does your organization define short-, medium-, and long-term time horizons in relation to the identification, assessment, and management of your environmental dependencies, impacts, risks, and opportunities?

Short-term

(2.1.1) From (years)

1

(2.1.3) To (years)

5

(2.1.4) How this time horizon is linked to strategic and/or financial planning

These are general guidelines for how we think of time frames regarding climate-related topics.

Medium-term

(2.1.1) From (years)

6

(2.1.3) To (years)

15

(2.1.4) How this time horizon is linked to strategic and/or financial planning

These are general guidelines for how we think of time frames regarding climate-related topics.

Long-term

(2.1.1) From (years)

16

(2.1.2) Is your long-term time horizon open ended?

Select from:
☑ Yes

(2.1.4) How this time horizon is linked to strategic and/or financial planning

These are general guidelines for how we think of time frames regarding climate-related topics.
[Fixed row]

(2.2) Does your organization have a process for identifying, assessing, and managing environmental dependencies and/or impacts?

	Process in place	Dependencies and/or impacts evaluated in this process
	Select from: ☑ Yes	*Select from:* ☑ Both dependencies and impacts

[Fixed row]

(2.2.1) Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities?

	Process in place	Risks and/or opportunities evaluated in this process	Is this process informed by the dependencies and/or impacts process?
	Select from: ☑ Yes	*Select from:* ☑ Both risks and opportunities	*Select from:* ☑ Yes

[Fixed row]

(2.2.2) Provide details of your organization's process for identifying, assessing, and managing environmental dependencies, impacts, risks, and/or opportunities.

Row 1

(2.2.2.1) Environmental issue

Select all that apply

☑ Climate change

☑ Water

☑ Biodiversity

(2.2.2.2) Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

Select all that apply

☑ Dependencies

☑ Impacts

☑ Risks

☑ Opportunities

(2.2.2.3) Value chain stages covered

Select all that apply

☑ Direct operations

☑ Upstream value chain

☑ Downstream value chain

(2.2.2.4) Coverage

Select from:

☑ Partial

(2.2.2.7) Type of assessment

Select from:

☑ Qualitative and quantitative

(2.2.2.8) Frequency of assessment

Select from:

☑ More than once a year

(2.2.2.9) Time horizons covered

Select all that apply

☑ Short-term

☑ Medium-term

☑ Long-term

(2.2.2.10) Integration of risk management process

Select from:

☑ Integrated into multi-disciplinary organization-wide risk management process

(2.2.2.11) Location-specificity used

Select all that apply

☑ Site-specific

☑ Local

☑ Sub-national

☑ National

(2.2.2.14) Partners and stakeholders considered

Select all that apply

☑ Customers

☑ Employees

☑ Investors

☑ Local communities

(2.2.2.15) Has this process changed since the previous reporting year?

Select from:

☑ No

(2.2.2.16) Further details of process

Enterprise-wide risk assessment and oversight are fundamental responsibilities of our board. Directors are involved in the process of overseeing the primary risks we face in the conduct of our business. Trends in economic, business and commodity market conditions and trends in legislative and regulatory initiatives are reviewed by the board as part of the Company's Enterprise Risk Management program. The board receives, on an ongoing basis, information from management related to key business risks and mitigation strategies. These business risks include existing and emerging risks related to environmental performance and sustainability, information technology systems and cybersecurity, operational risks, financial risks, reliability risks and regulatory risks. The Company's Internal Audit department, on behalf of MGE management and the Board of Directors' Audit Committee, conducts a biannual Enterprise Risk Management meeting with each officer of the Company. The sessions with individual Company officers and management update existing areas of risk, classify new or emerging areas of risk and identify owners responsible for assessing, managing and/or mitigating areas of risk. This broad-based exercise serves to complement ongoing and regular presentations and reports from Company officers and subject matter experts on risk and emerging risk identification, assessment and mitigation strategies. Our comprehensive approach encourages all our directors to initiate discussion at any time, either directly or through our Lead Independent Director, on any areas of concern, including risk identification and assessment, controls, management and oversight. The board and MGE management have created a culture of environmental sustainability and risk management.
[Add row]

(2.2.7) Are the interconnections between environmental dependencies, impacts, risks and/or opportunities assessed?

(2.2.7.1) Interconnections between environmental dependencies, impacts, risks and/or opportunities assessed

Select from:

☑ Yes

(2.2.7.2) Description of how interconnections are assessed

One way in which we recognize these interconnections is through our Environmental Management System (EMS). In 2023, we continued efforts under our Wisconsin Department of Natural Resources (WDNR) Green Tier certification, which recognizes environmental leadership and commits MGE to a superior level of transparency and accountability. MGE's primary goal in the expanded contract with the WDNR is to cover all MGE operations under our EMS. An EMS is a continuous improvement process that evaluates, prioritizes and manages environmental risks. MGE's expanded EMS has undergone three external compliance audits and three EMS audits, resulting in recommendations to the WDNR that MGE continue in the Green Tier program. As a participant in the highest level of the WDNR's Green Tier program, MGE's EMS is required to be aligned with ISO 14001, an internationally recognized EMS, to manage the Company's operational environmental impacts, opportunities and risks.
[Fixed row]

(2.3) Have you identified priority locations across your value chain?

	Identification of priority locations	Primary reason for not identifying priority locations
	Select from: ☑ No, but we plan to within the next two years	*Select from:* ☑ Not an immediate strategic priority

[Fixed row]

(2.4) How does your organization define substantive effects on your organization?

Risks

(2.4.1) Type of definition

Select all that apply

☑ Qualitative

☑ Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:

☑ Other, please specify **:**There are many indicators used to define risk. Our Board of Directors are involved in the process of overseeing the primary risks we face in the conduct of our business.

Opportunities

(2.4.1) Type of definition

Select all that apply

☑ Qualitative

☑ Quantitative

(2.4.2) Indicator used to define substantive effect

Select from:

☑ Other, please specify **:**Opportunity indicators and thresholds are numerous and opportunity-dependent. Our climate strategy includes achieving our goal of net-zero carbon electricity by 2050.

[Add row]

(2.5) Does your organization identify and classify potential water pollutants associated with its activities that could have a detrimental impact on water ecosystems or human health?

(2.5.1) Identification and classification of potential water pollutants

Select from:

☑ Yes, we identify and classify our potential water pollutants

(2.5.2) How potential water pollutants are identified and classified

MGE environmental staff monitor federal, state and local rules that regulate the discharge of water pollutants. The team identifies and classifies potential water pollutants based on environmental regulatory requirements and the compliance strategies associated with the requirements. Specific water pollutants of concern are derived from the Clean Water Act (CWA), primarily the CWA's Water Quality Standards (WQS), but also specific regulations such as the Section 316(a) Thermal Discharge, Section 316(b) Cooling Water Intake Structures and the Steam Electric Effluent Limitations Guidelines (ELGs). In Wisconsin, the Department of Natural Resources (WDNR) has been delegated permitting authority for the administration of NPDES operating permits. Applicable regulations are incorporated into facility-specific or general wastewater operating permits which aim to protect and maintain the chemical, physical, and biological integrity of waters of the United States. MGE conducts all required studies and reports for its permits and permit renewals. MGE staff complete required compliance activities including routine sampling. [Fixed row]

(2.5.1) Describe how your organization minimizes the adverse impacts of potential water pollutants on water ecosystems or human health associated with your activities.

Row 1

(2.5.1.1) Water pollutant category

Select from:

☑ Oil

(2.5.1.2) Description of water pollutant and potential impacts

Oil is used for direct operations at MGE facilities. It has the potential to impact water quality if it is spilled.

(2.5.1.3) Value chain stage

Select all that apply

☑ Direct operations

(2.5.1.4) Actions and procedures to minimize adverse impacts

Select all that apply

☑ Assessment of critical infrastructure and storage condition (leakages, spillages, pipe erosion etc.) and their resilience

☑ Industrial and chemical accidents prevention, preparedness, and response

☑ Provision of best practice instructions on product use

(2.5.1.5) Please explain

MGE facilities minimize the adverse impacts of oil pollutants though implementing Spill Prevention Control and Countermeasure (SPCC) plans to prevent spills from occurring. Many of our facilities also utilize oil water separators or oil detection equipment to prevent oil from discharging. Procedures are in place for the transfer of oil to and from storage tanks, and employees are trained at a minimum annually.

Row 2

(2.5.1.1) Water pollutant category

Select from:

☑ Phosphates

(2.5.1.2) Description of water pollutant and potential impacts

Phosphorus is a common additive found in cooling water systems for its corrosion inhibiting properties. Excess phosphorus in freshwater bodies can cause water quality issues.

(2.5.1.3) Value chain stage

Select all that apply

☑ Direct operations

(2.5.1.4) Actions and procedures to minimize adverse impacts

Select all that apply

☑ Beyond compliance with regulatory requirements

☑ Reduction or phase out of hazardous substances

(2.5.1.5) Please explain

MGE has already phased out the use of phosphorus-containing additives in our cooling water systems. Another way MGE supports clean lakes is through Yahara WINS. This collaborative water cleanup effort began as a pilot and expanded to a 20-year program to reduce phosphorus in our watershed. MGE supports this project through financial support from the MGE Foundation and through service on its technical advisory board, the Yahara Watershed Improvement Network Group. A collaborative approach pools the resources and expertise of community partners. It employs the strategy of watershed adaptive management in which all sources of phosphorus pollution are addressed together to meet water quality goals. Yahara WINS is exceeding expectations for modeled phosphorus reductions and is on track to meet its 20-year project goals. In 2023, the program reported more than 54,541 pounds of phosphorus reduced, which was greater than its goal of 47,862 pounds.

Row 3

(2.5.1.1) Water pollutant category

Select from:

☑ Other synthetic organic compounds

(2.5.1.2) Description of water pollutant and potential impacts

PCBs have in the past been used in insulating mineral oil used in electrical equipment. MGE has conducted a project to test, inventory, and phase out any mineral oil found to contain PCBs.

(2.5.1.3) Value chain stage

Select all that apply

☑ Direct operations

(2.5.1.4) Actions and procedures to minimize adverse impacts

Select all that apply

☑ Beyond compliance with regulatory requirements

☑ Reduction or phase out of hazardous substances

(2.5.1.5) Please explain

MGE conducted an extensive inventory of the PCB content in oil-filled electrical equipment, and has completed the removal of all PCB-contaminated transformers from service.
[Add row]

C3. Disclosure of risks and opportunities

(3.1) Have you identified any environmental risks which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

Climate change

(3.1.1) Environmental risks identified

Select from:

☑ Yes, both in direct operations and upstream/downstream value chain

Water

(3.1.1) Environmental risks identified

Select from:

☑ No

(3.1.2) Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain

Select from:

☑ Environmental risks exist, but none with the potential to have a substantive effect on our organization

(3.1.3) Please explain

MGE's facilities operate in a region with abundant water. MGE has plans and collaborative water agreements in place with stakeholders to address water usage from facilities it operates. In addition, MGE continues to transition its electric generation fleet by constructing more renewable sources (wind and solar).
[Fixed row]

(3.1.1) Provide details of the environmental risks identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

(3.1.1.1) Risk identifier

Select from:

☑ Risk1

(3.1.1.3) Risk types and primary environmental risk driver

Policy

☑ Changes to national legislation

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ United States of America

(3.1.1.9) Organization-specific description of risk

We are subject to extensive government regulation in our business, which affects our costs and responsiveness to changing events and circumstances. Our business is subject to regulation at the State and Federal levels. The regulations adopted by the State and Federal agencies affect how we do business, our ability to undertake specified actions since pre-approval or authorization may be required for projects, the costs of operations, and the rates charged to recover those costs. Our ability to attract capital also depends, in part, upon our ability to recover our costs and obtain a fair return for shareholders.

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Short-term

☑ Medium-term

☑ Long-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ About as likely as not

(3.1.1.14) Magnitude

Select from:

☑ Unknown

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ No

(3.1.1.26) Primary response to risk

Compliance, monitoring and targets

☑ Establish organization-wide targets

(3.1.1.29) Description of response

MGE has a process in place to evaluate and to anticipate regulatory and legislative developments on an ongoing basis. We review the international and national science on carbon reduction expectations. Our company goals are consistent with current climate science. MGE has pledged at least an 80% reduction of electric generation carbon dioxide emissions by 2030 (from 2005 levels) and hast set a goal of net-zero carbon electricity by 2050. We continue to evaluate potential impacts from mandates and regulations of greenhouse gas emissions on our business strategy and our pace toward our goals.

Climate change

(3.1.1.1) Risk identifier

Select from:

☑ Risk2

(3.1.1.3) Risk types and primary environmental risk driver

Technology

☑ Transition to lower emissions technology and products

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ United States of America

(3.1.1.9) Organization-specific description of risk

Our capital projects, such as our renewable generation projects, are subject to various completion risks that could cause costs to increase or cause delays in completion. These risks include shortages of, the inability to obtain, the cost of, and the consistency of, labor, materials and equipment; the inability of the contractors to perform under their contracts; the inability to agree to terms of contracts or disputes in contract terms; work stoppages; adverse weather conditions; the inability to obtain necessary permits in a timely manner; changes in applicable laws or regulations; adverse interpretation or enforcement of permit conditions; governmental actions or tariffs; legal action; and unforeseen engineering or technology issues. In the case of our renewable generation projects, we may face delays in the completion of the necessary transmission system connections or upgrades to accommodate the project. If a capital project exceeds the project costs approved by State regulators, we may not be able to recover those excess costs through regulated customer rates. If that happens, we may have to finance overruns through cash from operations, which may delay other projects, or by securing additional financing. Any or all of these methods may not be available when or in the amounts needed or may adversely affect our financial condition, results of operations and cash flows.

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Short-term
☑ Medium-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:
☑ About as likely as not

(3.1.1.14) Magnitude

Select from:
☑ Medium-low

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:
☑ No

(3.1.1.29) Description of response

MGE mitigates the risk of renewable energy project delays through its reserve margin of energy production, project controls, and operation of dispatchable assets.

Climate change

(3.1.1.1) Risk identifier

Select from:
☑ Risk3

(3.1.1.3) Risk types and primary environmental risk driver

Acute physical
☑ Storm (including blizzards, dust and sandstorm)

(3.1.1.4) Value chain stage where the risk occurs

Select from:

☑ Direct operations

(3.1.1.6) Country/area where the risk occurs

Select all that apply

☑ United States of America

(3.1.1.9) Organization-specific description of risk

We are affected by weather, which affects customer demand and can affect the operation of our facilities. The demand for electricity and gas is affected by weather. Very warm and very cold temperatures, especially for prolonged periods, can dramatically increase the demand for electricity and gas for cooling and heating, respectively, as opposed to the softening effect of more moderate temperatures. Our electric revenues are sensitive to the summer cooling season and, to a lesser extent, the winter heating season. Similarly, very cold temperatures can dramatically increase the demand for gas for heating. A significant portion of our gas system demand is driven by heating. Extreme summer conditions or storms may stress electric systems, resulting in increased maintenance costs and limiting the ability to meet peak customer demand.

(3.1.1.12) Time horizon over which the risk is anticipated to have a substantive effect on the organization

Select all that apply

☑ Short-term

(3.1.1.13) Likelihood of the risk having an effect within the anticipated time horizon

Select from:

☑ About as likely as not

(3.1.1.14) Magnitude

Select from:

☑ Medium

(3.1.1.17) Are you able to quantify the financial effect of the risk?

Select from:

☑ No

(3.1.1.29) Description of response

MGE has plans in place to prevent and mitigate damage from unplanned events including extreme weather and storms. The intent is to ensure reliability for our customers and the safety of our employees and our community in response to these events. Having a well-defined and practiced All Hazards Response Plan (AHRP) is critical to managing and responding appropriately to emergency situations. MGE's AHRP encompasses everything from storm response to cyberattacks. The incident command structure within the plan oversees logistics, operations and planning. It is supported by communications, legal, environmental, safety and IT resources. A multiyear grid modernization effort is also underway across the Madison area to underground distribution lines, where possible, and install new grid monitoring and control technology to reduce the duration of storm-related outages.
[Add row]

(3.1.2) Provide the amount and proportion of your financial metrics from the reporting year that are vulnerable to the substantive effects of environmental risks.

Climate change

(3.1.2.1) Financial metric

Select from:

☑ Assets
[Add row]

(3.3) In the reporting year, was your organization subject to any fines, enforcement orders, and/or other penalties for water-related regulatory violations?

	Water-related regulatory violations
	Select from: ☑ No

[Fixed row]

(3.5) Are any of your operations or activities regulated by a carbon pricing system (i.e. ETS, Cap & Trade or Carbon Tax)?

Select from:

☑ No, and we do not anticipate being regulated in the next three years

(3.6) Have you identified any environmental opportunities which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?

Climate change

(3.6.1) Environmental opportunities identified

Select from:

☑ Yes, we have identified opportunities, and some/all are being realized

Water

(3.6.1) Environmental opportunities identified

Select from:

☑ No

(3.6.2) Primary reason why your organization does not consider itself to have environmental opportunities

Select from:

☑ Opportunities exist, but none anticipated to have a substantive effect on organization

[Fixed row]

(3.6.1) Provide details of the environmental opportunities identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.

Climate change

(3.6.1.1) Opportunity identifier

Select from:

☑ Opp1

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Energy source

☑ Use of low-carbon energy sources

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Direct operations

(3.6.1.8) Organization specific description

MGE's solar, wind and battery storage projects are a major step toward deep decarbonization and greater use of clean energy sources in pursuit of our net-zero carbon electricity goal. Additionally, MGE seeks to reduce its use of fossil fuels and works to help customers with energy efficiency and electrification, including the electrification of transportation. Since 2015, MGE has added more than 200 megawatts (MW) of solar and 93 MW of wind generation facilities to its electric renewable generation portfolio.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Returns on investment in low-emission technology

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ Short-term

(3.6.1.12) Magnitude

Select from:

☑ Medium-high

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☑ No

(3.6.1.24) Cost to realize opportunity

465700000

(3.6.1.26) Strategy to realize opportunity

Our strategies for achieving our carbon reduction goals are investing in renewable energy, reducing the company's reliance on fossil fuels for electricity generation, electrifying transportation and other end uses, and advancing energy efficiency. MGE has made significant investments in renewable energy in recent years, including: MGE's 8-megawatt (MW) Hermsdorf Solar Fields in southeast Madison, which came online in 2022. The project, built under our Renewable Energy Rider for large customers, provides carbon-free energy to the City of Madison and the Madison Metropolitan School District. The Hermsdorf facility is one of several new renewable energy projects to help MGE achieve deep decarbonization. In 2023, the 92-MW Red Barn Wind Farm came online. MGE owns 9.1 MW of the wind farm in Grant County, Wis. Also in 2023, the second phase of the Badger Hollow Solar Farm came online. MGE owns 50 MW of the second phase of the project (and 50 MW of the first phase). In 2024, MGE's 6-MW Tyto Solar project came online to serve all customers. Another 6-MW project, Strix Solar, is expected online in 2024. MGE is purchasing a 10% ownership interest in the 250-MW Darien Solar Energy Center; the 200-MW Paris Solar Battery Park with 110 MW of battery storage and the 300-MW Koshkonong Solar Energy Center.

Climate change

(3.6.1.1) Opportunity identifier

Select from:

☑ Opp2

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Products and services

☑ Ability to diversify business activities

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Direct operations

(3.6.1.8) Organization specific description

MGE is working to achieve a more sustainable energy future by investing in cost-effective, renewable generation; in new, innovative low-emission technologies; and, in customer engagement, programs and services to advance our decarbonization strategies, such as energy efficiency and electrification. Our Renewable Energy Rider and Shared Solar programs help to reduce MGE's carbon emissions while providing customers the ability to purchase locally generated, cost-effective, renewable energy to meet their needs. Our demand response program, MGE Connect, partners with MGE's electric customers to shift energy use to reduce peak demand while our electric vehicle (EV) programs and resources help to advance sustainable transportation and offer MGE the opportunity to manage EV charging to better manage the grid for the benefit of all customers.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Returns on investment in low-emission technology

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ Medium-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☑ Virtually certain (99–100%)

(3.6.1.12) Magnitude

Select from:

☑ Medium

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☑ No

(3.6.1.26) Strategy to realize opportunity

Examples of specific programs to realize this opportunity include growing renewable energy through our Renewable Energy Rider and Shared Solar programs; managing peak demand through our demand response program, MGE Connect; researching and demonstrating residential solar/battery storage projects; researching charging patterns, grid impacts and remote management of EV charging through our EV programs and projects, such as Charge@Home and Charge Ahead; and reducing peak demand and shifting energy use through our MyMeter (formerly On Demand Savings) program.

Climate change

(3.6.1.1) Opportunity identifier

Select from:

☑ Opp3

(3.6.1.3) Opportunity type and primary environmental opportunity driver

Resource efficiency

☑ Other resource efficiency opportunity, please specify **:**Increased development of electric grid.

(3.6.1.4) Value chain stage where the opportunity occurs

Select from:

☑ Direct operations

(3.6.1.8) Organization specific description

Capital investments in our electric grid infrastructure earn a rate of return, can reduce our operating costs and can improve access to demand management options for our customers.

(3.6.1.9) Primary financial effect of the opportunity

Select from:

☑ Returns on investment in low-emission technology

(3.6.1.10) Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Select all that apply

☑ Medium-term

(3.6.1.11) Likelihood of the opportunity having an effect within the anticipated time horizon

Select from:

☑ Virtually certain (99–100%)

(3.6.1.12) Magnitude

Select from:

☑ Medium

(3.6.1.15) Are you able to quantify the financial effects of the opportunity?

Select from:

☑ No

(3.6.1.26) Strategy to realize opportunity

MGE is investing in infrastructure improvements to enhance the electric distribution grid to support and integrate new technology while working to ensure reliable and resilient service at a reasonable cost. Modernization of the grid includes projects that can improve the two-way flow of electricity from traditional sources as well as distributed sources of renewable energy as we transition to greater use of cleaner energy sources. Additional initiatives to further enhance reliability and resiliency include Distribution Automation; Asset Renewal projects, such as moving overhead wires underground and voltage conversions; and physical and technological security, communication, and control upgrades. These projects help to improve the resiliency, reliability, security, and safety of the grid while also enabling new renewable energy sources, and advancing innovative customer programs and technologies to deliver a more integrated and efficient grid for the benefit of all customers.
[Add row]

C4. Governance

(4.1) Does your organization have a board of directors or an equivalent governing body?

(4.1.1) Board of directors or equivalent governing body

Select from:

☑ Yes

(4.1.2) Frequency with which the board or equivalent meets

Select from:

☑ More frequently than quarterly

(4.1.3) Types of directors your board or equivalent is comprised of

Select all that apply

☑ Executive directors or equivalent

☑ Non-executive directors or equivalent

☑ Independent non-executive directors or equivalent

(4.1.4) Board diversity and inclusion policy

Select from:

☑ No

[Fixed row]

(4.1.1) Is there board-level oversight of environmental issues within your organization?

	Board-level oversight of this environmental issue
Climate change	*Select from:* ☑ Yes
Water	*Select from:* ☑ Yes
Biodiversity	*Select from:* ☑ Yes

[Fixed row]

(4.1.2) Identify the positions (do not include any names) of the individuals or committees on the board with accountability for environmental issues and provide details of the board's oversight of environmental issues.

Climate change

(4.1.2.1) Positions of individuals or committees with accountability for this environmental issue

Select all that apply

☑ Board chair

☑ Chief Executive Officer (CEO)

☑ Other, please specify :Board of Directors

(4.1.2.4) Frequency with which this environmental issue is a scheduled agenda item

Select from:

☑ Scheduled agenda item in some board meetings – at least annually

(4.1.2.5) Governance mechanisms into which this environmental issue is integrated

Select all that apply

☑ Reviewing and guiding annual budgets

☑ Overseeing and guiding scenario analysis

☑ Approving and/or overseeing employee incentives

☑ Overseeing and guiding major capital expenditures

☑ Overseeing and guiding acquisitions, mergers, and divestitures

☑ Overseeing and guiding the development of a climate transition plan

(4.1.2.7) Please explain

Our Chairman and CEO As the individual with primary responsibility for managing the Company's day-to-day operations and for executing on the Company's vision and strategy, our CEO is best positioned to chair regular board meetings as we discuss key business and strategic issues. Climate-related issues are among the key business and strategic issues. Our Board of Directors Our board has oversight of the Company's ESG and climate-related matters. This oversight includes review of environmental risks and mitigation as well as assessment of current and/or future environmental regulations. It also includes review of the Company's corporate responsibility, environmental and sustainability performance and MGE's annual Corporate Responsibility and Sustainability Report. Directors understand corporate responsibility and sustainability are integral to the Company's long-term success and share management's commitment in these areas, from long-term and strategic direction to day-to-day business practices throughout the organization. To help facilitate effective oversight of ESG-related matters, the board receives timely and relevant information on a regular basis related to the Company's sustainability initiatives and performance and a wide range of ESG topics, including diversity, equity and inclusion, workforce and culture, safety, human rights, supply chain and other ESG topics. The board has ten regular full board meetings each year. Board meetings are structured to provide for regular presentations by and active dialogue with MGE management. Subject matter experts from across the Company regularly present to the board on issues of strategic importance. These regular interactions provide useful information and insight relative to critical business initiatives and corporate strategy, including environmental performance and sustainability, and risk management and oversight. In addition, the board takes advantage of external expertise as needed on key strategic topics. The board's engagement with management and the Company's participation in third-party benchmarking and evaluation programs help to assess performance and promote continuous improvement.
[Fixed row]

(4.2) Does your organization's board have competency on environmental issues?

Climate change

(4.2.1) Board-level competency on this environmental issue

Select from:

☑ Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

☑ Having at least one board member with expertise on this environmental issue

☑ Other, please specify **:**The board conducts an annual Board of Directors assessment. The assessment includes an extensive survey that covers board structure, board meetings, board committees, key board responsibilities and board management.

(4.2.3) Environmental expertise of the board member

Experience

☑ Executive-level experience in a role focused on environmental issues

☑ Experience in an organization that is exposed to environmental-scrutiny and is going through a sustainability transition

☑ Active member of an environmental committee or organization

Water

(4.2.1) Board-level competency on this environmental issue

Select from:

☑ Yes

(4.2.2) Mechanisms to maintain an environmentally competent board

Select all that apply

☑ Having at least one board member with expertise on this environmental issue

☑ Other, please specify **:**Many of our Board members have experience in and understanding of environmental policy and compliance, impacts and risk, and emerging issues and opportunities for greater sustainability.

(4.2.3) Environmental expertise of the board member

Experience

☑ Executive-level experience in a role focused on environmental issues

☑ Experience in an organization that is exposed to environmental-scrutiny and is going through a sustainability transition

☑ Active member of an environmental committee or organization

[Fixed row]

(4.3) Is there management-level responsibility for environmental issues within your organization?

	Management-level responsibility for this environmental issue
Climate change	*Select from:* ☑ Yes
Water	*Select from:* ☑ Yes
Biodiversity	*Select from:* ☑ Yes

[Fixed row]

(4.3.1) Provide the highest senior management-level positions or committees with responsibility for environmental issues (do not include the names of individuals).

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☑ Chief Executive Officer (CEO)

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

☑ Managing environmental dependencies, impacts, risks, and opportunities

Policies, commitments, and targets

☑ Setting corporate environmental targets

Strategy and financial planning

☑ Developing a climate transition plan

☑ Implementing a climate transition plan

(4.3.1.4) Reporting line

Select from:

☑ Reports to the board directly

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ More frequently than quarterly

(4.3.1.6) Please explain

Our Chief Executive Officer (CEO) serves as the President of the Company and Chairman of the Board of Directors. Our CEO is the individual with primary responsibility for managing the Company's day-to-day operations and for executing on the Company's vision and strategy. Our CEO is best positioned to chair regular board meetings to discuss key business and strategic issues. This includes climate-related risks and opportunities. Although involved in all aspects of climate-related activities, our CEO is directly involved in developing/implementing transition plans, assessing/managing risk and opportunities, and integrating climate-related issues into our strategy and setting targets. Our Company seeks to foster a proactive and forward-thinking approach to ESG-related matters, beginning with board oversight of and executive leadership on key topics and emerging issues. The board takes seriously its responsibility to oversee corporate responsibility and environmental performance of the Company. Directors are kept informed and educated through collaboration with and numerous presentations by officers of the Company and various subject matter experts, including experts from outside the Company and through industry and director training opportunities and reports provided to them by senior management on a regular basis. Our governance structure helps to ensure that oversight and management of ESG and sustainability-related risks and initiatives throughout the Company are incorporated into our long-term strategy and day-to-day management and operations. Our approach to these matters extends from the Board of Directors to our executive officers to our Sustainability Steering Team, leaders and internal subject matter experts. Along with the CEO, the other key positions are summarized.

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☑ Other C-Suite Officer, please specify **:**VP Chief Financial Officer and Treasurer

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

☑ Managing environmental dependencies, impacts, risks, and opportunities

Strategy and financial planning

☑ Managing annual budgets related to environmental issues

☑ Managing major capital and/or operational expenditures relating to environmental issues

(4.3.1.4) Reporting line

Select from:

☑ Reports to the Chief Executive Officer (CEO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ More frequently than quarterly

(4.3.1.6) Please explain

The VP Chief Financial Officer and Treasurer serves on the Sustainability Executive Committee and reports to the CEO. Although involved in many aspects of climate-related activities, our VP Chief Financial Officer and Treasurer is directly involved in managing annual budgets for climate mitigation activities, managing major capital and/or operational expenditures related to low carbon products/services, and assessing/managing risk and opportunities.

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☑ Other C-Suite Officer, please specify **:**VP General Counsel and Secretary

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

☑ Managing environmental dependencies, impacts, risks, and opportunities

Engagement

☑ Managing public policy engagement related to environmental issues

Policies, commitments, and targets

☑ Measuring progress towards environmental corporate targets

☑ Setting corporate environmental targets

(4.3.1.4) Reporting line

Select from:

☑ Reports to the Chief Executive Officer (CEO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ More frequently than quarterly

(4.3.1.6) Please explain

The VP General Counsel and Secretary oversees Legal Services, Government Affairs, and Safety, Sustainability and Environmental Affairs, is the Corporate Secretary, serves on the Sustainability Executive Team, and reports directly to the CEO. The VP General Counsel and Secretary is our officer with primary sustainability and ESG responsibilities. Although involved in many aspects of climate-related activities, our VP General Counsel and Secretary is directly involved in managing public policy engagement, setting targets, monitoring progress on targets, and assessing/managing risk and opportunities.

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Executive level

☑ Other C-Suite Officer, please specify **:**VP Energy Operations

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

☑ Managing environmental dependencies, impacts, risks, and opportunities

Strategy and financial planning

☑ Implementing a climate transition plan

☑ Managing major capital and/or operational expenditures relating to environmental issues

(4.3.1.4) Reporting line

Select from:

☑ Reports to the Chief Executive Officer (CEO)

(4.3.1.5) Frequency of reporting to the board on environmental issues

Select from:

☑ More frequently than quarterly

(4.3.1.6) Please explain

The VP-Energy Operations serves on the Sustainability Executive Committee and reports to the CEO. Among other duties, our VP-Energy Operations manages major capital and operational expenditures related to low-carbon products and services, implements climate transition plans and assess/manages climate-related risks/opportunities.

Climate change

(4.3.1.1) Position of individual or committee with responsibility

Committee

☑ Sustainability committee

(4.3.1.2) Environmental responsibilities of this position

Dependencies, impacts, risks and opportunities

☑ Assessing environmental dependencies, impacts, risks, and opportunities

☑ Managing environmental dependencies, impacts, risks, and opportunities

Policies, commitments, and targets

☑ Measuring progress towards environmental corporate targets

☑ Setting corporate environmental targets

Other

☑ Providing employee incentives related to environmental performance

(4.3.1.6) Please explain

Our Sustainability Executive Team has officer representation from across the company to provide input and oversight to Steering Team direction and initiatives. In this capacity, the members monitor progress against objectives and assess/manage climate-related risks/opportunities. Our Sustainability Steering team is composed of employees from across the company. They manage our Environmental Management System, drive sustainability, engagement, benchmarking and continuous improvement initiatives. In this capacity, the members are primarily involved in engaging and providing climate-related opportunities to employees, setting targets/objectives, monitoring progress on objectives and assessing/managing risks/opportunities.
[Add row]

(4.5) Do you provide monetary incentives for the management of environmental issues, including the attainment of targets?

Climate change

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

☑ Yes

(4.5.3) Please explain

Our executive officers are partially compensated through annual short-term incentives or bonuses. 30% of this incentive is based upon a subjective assessment of the degree of achievement of specified corporate goals. The specific corporate goals are related to environmental, social and governance, operations and financial goals not considered in the objective measures are reviewed by the board in assessing management's performance. The ESG component of performance includes: Promotes and improves a diverse, equitable and inclusive workplace; Advances the Company's Energy 2030 and 2050 goals and framework; Advances MGE's movement towards the Utility of the Future; Maintains or improves culture of environmental stewardship; Prepares Environmental and Sustainability Report and reviews with board; Maintains and enhances position as your community energy company; and Provides a culture that attracts and motivates a high-performing workplace.

Water

(4.5.1) Provision of monetary incentives related to this environmental issue

Select from:

☑ Yes

(4.5.3) Please explain

Our executive officers are partially compensated through annual short-term incentives or bonuses. 30% of this incentive is based upon a subjective assessment of the degree of achievement of specified corporate goals. The specific corporate goals are related to environmental, social and governance, operations and financial goals not considered in the objective measures are reviewed by the board in assessing management's performance. The ESG component of performance includes: Promotes and improves a diverse, equitable and inclusive workplace; Advances the Company's Energy 2030 and 2050 goals and framework; Advances MGE's movement towards the Utility of the Future; Maintains or improves culture of environmental stewardship; Prepares Environmental and Sustainability Report and reviews with board; Maintains and enhances position as your community energy company; and Provides a culture that attracts and motivates a high-performing workplace.

[Fixed row]

(4.5.1) Provide further details on the monetary incentives provided for the management of environmental issues (do not include the names of individuals).

Climate change

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☑ Corporate executive team

(4.5.1.2) Incentives

Select all that apply

☑ Bonus – set figure

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets

Emission reduction

☑ Implementation of an emissions reduction initiative

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Short-Term Incentive Plan, or equivalent, only (e.g. contractual annual bonus)

(4.5.1.5) Further details of incentives

Our executive officers, including the named executive officers, are partially compensated through annual short-term incentives or bonuses. The incentives are based on objective metric-specific targets, a subjective assessment of overall corporate performance, and a subjective assessment of individual performance.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

The ESG component of performance includes: Promotes and improves a diverse, equitable and inclusive workplace; Advances the Company's Energy 2030 and 2050 goals and framework; Advances MGE's movement towards the Utility of the Future; Maintains or improves culture of environmental stewardship; Prepares Environmental and Sustainability Report and reviews with board; Maintains and enhances position as your community energy company; and Provides a culture that attracts and motivates a high-performing workplace.

Water

(4.5.1.1) Position entitled to monetary incentive

Board or executive level

☑ Corporate executive team

(4.5.1.2) Incentives

Select all that apply

☑ Bonus – set figure

(4.5.1.3) Performance metrics

Targets

☑ Progress towards environmental targets

Emission reduction

☑ Implementation of an emissions reduction initiative

Resource use and efficiency

☑ Reduction of water withdrawals – direct operations

Engagement

☑ Increased engagement with suppliers on environmental issues

(4.5.1.4) Incentive plan the incentives are linked to

Select from:

☑ Short-Term Incentive Plan, or equivalent, only (e.g. contractual annual bonus)

(4.5.1.5) Further details of incentives

Our executive officers, including the named executive officers, are partially compensated through annual short-term incentives or bonuses. The incentives are based on objective metric-specific targets, a subjective assessment of overall corporate performance, and a subjective assessment of individual performance.

(4.5.1.6) How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

Water resources, as part of environmental performance is captured in the ESG component of performance. ESG performance includes: Promotes and improves a diverse, equitable and inclusive workplace; Advances the Company's Energy 2030 and 2050 goals and framework; Advances MGE's movement towards the Utility of the Future; Maintains or improves culture of environmental stewardship; Prepares Environmental and Sustainability Report and reviews with board; Maintains and enhances position as your community energy company; and Provides a culture that attracts and motivates a high-performing workplace.
[Add row]

(4.6) Does your organization have an environmental policy that addresses environmental issues?

	Does your organization have any environmental policies?
	Select from: ☑ Yes

[Fixed row]

(4.6.1) Provide details of your environmental policies.

Row 1

(4.6.1.1) Environmental issues covered

Select all that apply

☑ Climate change

☑ Water

☑ Biodiversity

(4.6.1.2) Level of coverage

Select from:

☑ Organization-wide

(4.6.1.3) Value chain stages covered

Select all that apply

☑ Direct operations

(4.6.1.4) Explain the coverage

As your community energy company, MGE recognizes its responsibility to preserve and protect the environment while serving our communities with safe, reliable, affordable and sustainable energy. We are proactive and forward-thinking in our stewardship and promote sustainability with our partners, suppliers and employees as we work together to build a cleaner, smarter future. Our Environmental and Sustainability Policy can be found here https://www.mge.com/sustainability/corporate-responsibility/environmental-policy

(4.6.1.5) Environmental policy content

Environmental commitments

☑ Commitment to comply with regulations and mandatory standards

☑ Commitment to take environmental action beyond regulatory compliance

☑ Commitment to stakeholder engagement and capacity building on environmental issues

(4.6.1.6) Indicate whether your environmental policy is in line with global environmental treaties or policy goals

Select all that apply

☑ No, and we do not plan to align in the next two years

(4.6.1.7) Public availability

Select from:

☑ Publicly available

(4.6.1.8) Attach the policy

Environmental Policy - Madison Gas and Electric.pdf
[Add row]

(4.10) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

(4.10.1) Are you a signatory or member of any environmental collaborative frameworks or initiatives?

Select from:

☑ Yes

(4.10.2) Collaborative framework or initiative

Select all that apply

☑ Other, please specify **:**Wisconsin Monarch Collaborative, Wisconsin Green Tier, Wisconsin Sustainable Business Council, Fund For Lake Michigan, Yahara WINs are examples.

(4.10.3) Describe your organization's role within each framework or initiative

We are a member of the Wisconsin Monarch Collaborative and evaluating participation in the Nationwide Candidate Conservation Agreement. We expect to clarify our direction on making a public commitment or endorsing initiatives within the next 2 years. MGE is a long term participant in the WDNR Green Tier program that

recognizes superior environmental performance which requires an Environmental Management System, annual reporting and auditing. We also serve on the Wisconsin Sustainable Business Council, the Fund for Lake Michigan, and the Yahara WINs phosphorous reduction initiative.
[Fixed row]

(4.11) In the reporting year, did your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may (positively or negatively) impact the environment?

(4.11.1) External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the environment

Select all that apply

☑ Yes, we engaged directly with policy makers

(4.11.2) Indicate whether your organization has a public commitment or position statement to conduct your engagement activities in line with global environmental treaties or policy goals

Select from:

☑ No, and we do not plan to have one in the next two years

(4.11.5) Indicate whether your organization is registered on a transparency register

Select from:

☑ No

(4.11.8) Describe the process your organization has in place to ensure that your external engagement activities are consistent with your environmental commitments and/or transition plan

MGE advocates for customers, shareholders and employees by building and maintaining relationships with policymakers; by working collaboratively with internal and external stakeholders to identify and address matters that impact the industry, goals and corporate strategies; and, by building coalitions with stakeholders, trade associations, employees, customer groups, utility associations and others to pursue and achieve common goals. MGE's corporate strategies include the company's commitment to providing safe, reliable, affordable energy consistent with its carbon reduction and net-zero carbon goals. MGE employs registered lobbyists and utilizes external lobbyists to engage policymakers at the local, state and federal levels to monitor legislation and policy proposals and to advocate for positions that are in the best interest of MGE employees, customers and shareholders. Reports of the company's lobbying activities (MGE Energy and/or MGE) can be found at the federal, state and local levels. Wisconsin lobbying reports can be found at the Wisconsin Ethics Commission, lobbying.wi.gov. MGE typically does not incur lobbying

expenses at the federal or local level that would trigger a lobbying report; however, if it does, those expenses can be found at lda.senate.gov and lobbyingdisclosure.house.gov and at cityofmadison.com/clerk/lobbyists, respectively. MGE belongs to a number of trade organizations and coalitions that provide expertise, training and research concerning important industry topics. Some trade associations also participate in the political process, including participation in lobbying. MGE does not control the political activity of its member trade associations, and in fact, may sometimes disagree with political positions taken by them. Trade associations must identify the portion of association dues used for lobbying and political activities to comply with tax rules. MGE collaborates with local and regional entities such as municipalities and collaboratives to advance decarbonization strategies and clean energy goals.
[Fixed row]

(4.11.1) On what policies, laws, or regulations that may (positively or negatively) impact the environment has your organization been engaging directly with policy makers in the reporting year?

Row 1

(4.11.1.1) Specify the policy, law, or regulation on which your organization is engaging with policy makers

Public Service Commission of Wisconsin: Regulatory Approval for investments in new clean energy generation.

(4.11.1.2) Environmental issues the policy, law, or regulation relates to

Select all that apply
☑ Climate change

(4.11.1.3) Focus area of policy, law, or regulation that may impact the environment

Other
☑ Other, please specify **:**Public Service Commission of Wisconsin - regulatory approval for clean energy investments to replace coal-fired generation.

(4.11.1.4) Geographic coverage of policy, law, or regulation

Select from:
☑ Sub-national

(4.11.1.5) Country/area/region the policy, law, or regulation applies to

Select all that apply

☑ United States of America

(4.11.1.6) Your organization’s position on the policy, law, or regulation

Select from:

☑ Support with no exceptions

(4.11.1.8) Type of direct engagement with policy makers on this policy, law, or regulation

Select all that apply

☑ Other, please specify **:**As a regulated utility, we generally may not build/purchase new clean energy generating facilities without obtaining approval from the Public Service Commission of Wisconsin. To obtain approval, we engage with the PSCW in a public process.

(4.11.1.10) Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement

Wisconsin requires public utilities to prove that investments in any electric generation are necessary and cost-effective. As we retire coal-burning generation, it is necessary to replace that generation with other sources. From 2015 through 2028, we expect approximately 1 billion in new renewable energy generation to replace our retiring fossil fuel assets. As a result, when we propose to add substantial new clean energy generating facilities, we seek approval from our State regulatory body, the Wisconsin Public Service Commission, to invest in those resources.

(4.11.1.11) Indicate if you have evaluated whether your organization’s engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals

Select from:

☑ Yes, we have evaluated, and it is aligned

(4.11.1.12) Global environmental treaties or policy goals aligned with your organization's engagement on this policy, law or regulation

Select all that apply

☑ Paris Agreement

[Add row]

(4.12) Have you published information about your organization’s response to environmental issues for this reporting year in places other than your CDP response?

Select from:
☑ Yes

(4.12.1) Provide details on the information published about your organization’s response to environmental issues for this reporting year in places other than your CDP response. Please attach the publication.

Row 1

(4.12.1.1) Publication

Select from:
☑ In voluntary sustainability reports

(4.12.1.3) Environmental issues covered in publication

Select all that apply
☑ Climate change
☑ Water
☑ Biodiversity

(4.12.1.4) Status of the publication

Select from:
☑ Underway - previous year attached

(4.12.1.5) Content elements

Select all that apply
☑ Governance
☑ Risks & Opportunities

☑ Strategy
☑ Emissions figures
☑ Emission targets

(4.12.1.6) Page/section reference

https://www.mge.com/sustainability/corporate-responsibility/2023-corporate-report/corporate-responsibility-and-sustainability-report

(4.12.1.8) Comment

Madison Gas and Electric (MGE) publishes an annual Corporate Responsibility and Sustainability Report to share matters of sustainability performance and interest with stakeholders. MGE is committed to helping customers, investors and other stakeholders better understand our strategies, risks, challenges, and opportunities as we transition to a more sustainable future. The report features information about MGE's corporate strategy and climate-related matters; safety and operations; metrics and targets; customer and employee engagement; risk management; and governance and oversight. MGE also continues to participate in EEI's ESG and sustainability reporting templates. EEI, which represents all U.S. investor-owned electric companies, developed the voluntary, industry-specific templates to provide more uniform and consistent reporting of data and information from the electric sector. The templates include data related to MGE's portfolio (generation and capacity), emissions, capital expenditures, human and natural resources, and other matters. The EEI disclosure information is available in MGE's online ESG Data Center, available at: https://www.mge.com/sustainability/corporate-responsibility/2023-corporate-report/esg-data-center
[Add row]

C5. Business strategy

(5.1) Does your organization use scenario analysis to identify environmental outcomes?

Climate change

(5.1.1) Use of scenario analysis

Select from:
☑ Yes

Water

(5.1.1) Use of scenario analysis

Select from:
☑ No, and we do not plan to within the next two years

(5.1.3) Primary reason why your organization has not used scenario analysis

Select from:
☑ Not an immediate strategic priority
[Fixed row]

(5.1.1) Provide details of the scenarios used in your organization's scenario analysis.

Climate change

(5.1.1.1) Scenario used

Physical climate scenarios

☑ Customized publicly available climate physical scenario, please specify :.

(5.1.1.3) Approach to scenario

Select from:

☑ Quantitative

(5.1.1.4) Scenario coverage

Select from:

☑ Business division

(5.1.1.6) Temperature alignment of scenario

Select from:

☑ 1.5°C or lower

(5.1.1.8) Timeframes covered

Select all that apply

☑ 2050

(5.1.1.9) Driving forces in scenario

Relevant technology and science

☑ Data regime (from closed to open)

(5.1.1.10) Assumptions, uncertainties and constraints in scenario

To evaluate what combination of energy and land-use policies could support the 1.5 degree C goal, multiple research groups around the world have developed computer models. These models attempt to project the global temperature response to different assumptions about energy technology and other factors over the next 100 years. The results of these computer models were reported in the SR15 report of the IPCC and shared through an online database managed by the Integrated

Assessment Modeling Consortium (IAMC). The IAMC database provides researchers, companies, and the general public with information to support planning for a low-carbon future. The University of Wisconsin-Madison Nelson Institute for Environmental Studies and the Department of Atmospheric and Oceanic Sciences worked with MGE to evaluate the IPCC scenarios relevant to its operations. The IPCC database used in this study includes 414 scenarios of future energy use. The scenarios considered were those that had a temperature rise below 1.5 degrees or 1.5 degrees with low overshoot, in industrialized countries, and representing CO2 emissions from the electricity sector. Five scenarios met these requirements for inclusion in this analysis. The results of the analysis can be found in the report, "Interpreting Global Energy Scenarios for Emissions Planning at the Utility Scale" at https://www.mge.com/net-zero-carbon-electricity/uw-madison-analysis-of-mge-s-net-zero-carbon-goal
[Add row]

(5.1.2) Provide details of the outcomes of your organization's scenario analysis.

Climate change

(5.1.2.1) Business processes influenced by your analysis of the reported scenarios

Select all that apply

☑ Target setting and transition planning

(5.1.2.2) Coverage of analysis

Select from:

☑ Business division

(5.1.2.3) Summarize the outcomes of the scenario analysis and any implications for other environmental issues

From the UW analysis report, "Interpreting Global Energy Scenarios for Emissions Planning at the Utility Scale," MGE's goal of 100% net-zero carbon emissions by 2050 is in line with these scenarios, and in fact, more aggressive than any of the five.
[Fixed row]

(5.2) Does your organization's strategy include a climate transition plan?

(5.2.1) Transition plan

Select from:

☑ Yes, we have a climate transition plan which aligns with a 1.5°C world

(5.2.3) Publicly available climate transition plan

Select from:

☑ Yes

(5.2.4) Plan explicitly commits to cease all spending on, and revenue generation from, activities that contribute to fossil fuel expansion

Select from:

☑ No, and we do not plan to add an explicit commitment within the next two years

(5.2.7) Mechanism by which feedback is collected from shareholders on your climate transition plan

Select from:

☑ We have a different feedback mechanism in place

(5.2.8) Description of feedback mechanism

MGE has a link to our 1.5-degree analysis and climate transition strategy on our websites, mge.com and mgeenergy.com. The University of Wisconsin-Madison studied MGE's 2050 net-zero carbon electricity goal in its report, "Interpreting Global Energy Scenarios for Emissions Planning at the Utility Scale," published in fall 2020. This analysis supports that MGE's plan reflects carbon reductions consistent with limiting global warming to 1.5 degrees Celsius. Specific investor feedback occurs in many ways. MGE is a small, investor-owned utility. As Your Community Energy Company, our Officers and Directors are members of our community and generally available to the public. MGE Energy has a larger than typical number of retail shareowners. Those shareowners often communicate directly with our management, employees, Officers and Directors when out in our community attending local events, in local stores/restaurants, and other places. MGE also prioritizes regular engagement with institutional investor groups. MGE Officers also engage proactively at least twice a year with our largest institutional shareholders to obtain their feedback on our climate transition, and all shareholders are invited to ask questions during our Annual Shareholder meeting. MGE Energy's website has an email portal for investor questions to be addressed by the company. Investors also can provide feedback via either Investor Relations or to the Secretary of the Company at any time.

(5.2.9) Frequency of feedback collection

Select from:

☑ More frequently than annually

[Fixed row]

(5.3) Have environmental risks and opportunities affected your strategy and/or financial planning?

(5.3.1) Environmental risks and/or opportunities have affected your strategy and/or financial planning

Select from:

☑ Yes, both strategy and financial planning

(5.3.2) Business areas where environmental risks and/or opportunities have affected your strategy

Select all that apply

☑ Products and services

☑ Operations

[Fixed row]

(5.3.1) Describe where and how environmental risks and opportunities have affected your strategy.

Products and services

(5.3.1.1) Effect type

Select all that apply

☑ Risks

☑ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☑ Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

The products and services MGE provides to its customers are influenced by and part of our strategy for transitioning to a low- carbon future. MGE is working to achieve a more sustainable energy future by investing in cost-effective renewable generation and innovative new technologies and services to benefit all customers. MGE has emphasized this innovation by developing customer programs to address climate change and by partnering with our customers around clean energy, electric vehicles, and energy efficiency and conservation. Our Renewable Energy Rider and Shared Solar programs are two examples of programs that help to reduce MGE's carbon emissions while providing customers the option to grow their use of renewable energy as MGE works to decarbonize its energy supply for all customers. We also have been working on many fronts in the community to further the electrification of transportation (through EV charging at homes, workplaces and publicly accessible locations) and the practice of energy efficiency (through demand response programs and engagement efforts).

Operations

(5.3.1.1) Effect type

Select all that apply

☑ Risks

☑ Opportunities

(5.3.1.2) Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area

Select all that apply

☑ Climate change

(5.3.1.3) Describe how environmental risks and/or opportunities have affected your strategy in this area

Climate-related risks and opportunities influence our operations since MGE's path to achieve at least an 80% reduction in carbon by 2030 is based on the transition away from coal, the addition of new renewable generation and other decarbonization strategies to achieve net-zero carbon electricity by 2050. MGE also is investing in our operations and infrastructure to enhance the electric distribution grid to support and to integrate new technology while ensuring safe, reliable and resilient service at reasonable cost.
[Add row]

(5.3.2) Describe where and how environmental risks and opportunities have affected your financial planning.

Row 1

(5.3.2.1) Financial planning elements that have been affected

Select all that apply

☑ Assets
☑ Revenues
☑ Liabilities
☑ Direct costs
☑ Indirect costs
☑ Capital expenditures

(5.3.2.2) Effect type

Select all that apply

☑ Risks
☑ Opportunities

(5.3.2.3) Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements

Select all that apply

☑ Climate change

(5.3.2.4) Describe how environmental risks and/or opportunities have affected these financial planning elements

Climate-related risks and opportunities are an inherent aspect of our financial planning. Our primary focus today and for the foreseeable future is our core utility customers at MGE as well as creating long-term value for our shareholders. MGE continues to face the challenge of providing its customers with reliable power at competitive prices. MGE works on meeting this challenge by investing in more efficient generation projects, including renewable energy sources. MGEE has a market cap of approximately 3.0 billion and has invested or has planned investments in clean energy projects of more than 1.0 billion since announcing its Energy 2030 framework in 2015. As we work toward achieving at least an 80% carbon reduction by 2030 (from 2005 levels), MGE continues to transition away from coal-fired generation and to grow ownership of renewable generation sources. MGE expects to have zero ownership of coal-fired generation by the end of 2032. MGE is a minority owner of two coal-fired facilities-- the Columbia Energy Center (planned retirement in mid-2026) and the Elm Road Generating Station, which is planned to transition from coal to natural gas (full transition expected by the end of 2032). MGE will continue to focus on growing earnings while managing operating and fuel costs. MGE's goal is to provide safe, reliable and efficient operations in addition to providing customer value. We believe it is critical to maintain a strong credit rating consistent with financial strength.
[Add row]

(5.4) In your organization’s financial accounting, do you identify spending/revenue that is aligned with your organization’s climate transition?

	Identification of spending/revenue that is aligned with your organization’s climate transition	Methodology or framework used to assess alignment with your organization’s climate transition
	Select from: ☑ Yes	*Select all that apply* ☑ Other methodology or framework

[Fixed row]

(5.4.1) Quantify the amount and percentage share of your spending/revenue that is aligned with your organization’s climate transition.

Row 1

(5.4.1.5) Financial metric

Select from:
☑ CAPEX

(5.4.1.7) Percentage share of selected financial metric aligned in the reporting year (%)

39

(5.4.1.8) Percentage share of selected financial metric planned to align in 2025 (%)

45

(5.4.1.12) Details of the methodology or framework used to assess alignment with your organization’s climate transition

MGE deploys resources, both human and financial, that advance its decarbonization strategies and the company's Energy 2030 framework for a more sustainable future. Energy 2030 guides MGE's work with customers to achieve a number of foundational objectives, which include transitioning to a more environmentally sustainable energy supply, building a more dynamic, integrated grid that enables new technology and ensuring that all customers benefit from changing technology. MGE committed to reducing carbon emissions from the energy supplied to customers by at least 80% by 2030. MGE is growing its use of solar and wind energy and investing in battery storage in pursuit of its decarbonization goals, and the company expects to invest in other renewable energy projects beyond what is currently planned. MGE leadership has stated, since setting the company's carbon reduction goals, that if the company can go further faster by working with its customers, it will. MGE is working with customers to pursue globally recognized decarbonization strategies to achieve carbon reductions consistent with climate science. In addition to growing its use of renewable energy, MGE also is working to further engage customers in energy efficiency and working to electrify transportation and other energy end uses.
[Add row]

(5.5) Does your organization invest in research and development (R&D) of low-carbon products or services related to your sector activities?

	Investment in low-carbon R&D
	Select from: ☑ No

[Fixed row]

(5.7) Break down, by source, your organization's CAPEX in the reporting year and CAPEX planned over the next 5 years.

Coal – hard

(5.7.1) CAPEX in the reporting year for power generation from this source (unit currency as selected in 1.2)

8366000

(5.7.2) CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

7

(5.7.3) CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

2

(5.7.5) Explain your CAPEX calculations, including any assumptions

Planned CAPEX is over the next 5 years. Planned investments as transition away from coal.

Gas

(5.7.1) CAPEX in the reporting year for power generation from this source (unit currency as selected in 1.2)

33940000

(5.7.2) CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

26

(5.7.3) CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

17

(5.7.5) Explain your CAPEX calculations, including any assumptions

Planned CAPEX is over the next 5 years. Investments in new gas generation.

Wind

(5.7.1) CAPEX in the reporting year for power generation from this source (unit currency as selected in 1.2)

17111000

(5.7.2) CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

13

(5.7.3) CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

20

(5.7.5) Explain your CAPEX calculations, including any assumptions

Planned CAPEX is over the next 5 years. MGE is targeting at least 80% carbon reduction from electric generation by 2030 (from 2005 levels) and net-zero carbon electricity by 2050. Solar, wind, and battery storage projects are a major step toward deep decarbonization and greater use of clean energy sources in pursuit of our goal. MGE continues to evaluate solar, wind, and battery storage projects that align with its goals as legacy fossil fuel-fired facilities are retired.

Solar

(5.7.1) CAPEX in the reporting year for power generation from this source (unit currency as selected in 1.2)

60630000

(5.7.2) CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

47

(5.7.3) CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

37

(5.7.5) Explain your CAPEX calculations, including any assumptions

Planned CAPEX is over the next 5 years. MGE is targeting at least 80% carbon reduction from electric generation by 2030 (from 2005 levels) and net-zero carbon electricity by 2050. Solar, wind, and battery storage projects are a major step toward deep decarbonization and greater use of clean energy sources in pursuit of our goal. MGE continues to evaluate solar, wind, and battery storage projects that align with its goals as legacy fossil fuel-fired facilities are retired.

Other renewable (e.g. renewable hydrogen)

(5.7.1) CAPEX in the reporting year for power generation from this source (unit currency as selected in 1.2)

8599000

(5.7.2) CAPEX in the reporting year for power generation from this source as % of total CAPEX for power generation in the reporting year

7

(5.7.3) CAPEX planned over the next 5 years for power generation from this source as % of total CAPEX planned for power generation over the next 5 years

24

(5.7.5) Explain your CAPEX calculations, including any assumptions

Planned CAPEX is over the next 5 years. MGE is targeting at least 80% carbon reduction from electric generation by 2030 (from 2005 levels) and net-zero carbon electricity by 2050. Solar, wind, and battery storage projects are a major step toward deep decarbonization and greater use of clean energy sources in pursuit of our goal. MGE continues to evaluate solar, wind, and battery storage projects that align with its goals as legacy fossil fuel-fired facilities are retired.
[Fixed row]

(5.7.1) Break down your total planned CAPEX in your current CAPEX plan for products and services (e.g. smart grids, digitalization, etc.).

Row 1

(5.7.1.1) Products and services

Select from:
☑ Other, please specify **:**Enhanced Metering Solution

(5.7.1.2) Description of product/service

Advanced metering infrastructure

(5.7.1.3) CAPEX planned for product/service

39000000

(5.7.1.4) Percentage of total CAPEX planned for products and services

100

(5.7.1.5) End year of CAPEX plan

2028
[Add row]

(5.10) Does your organization use an internal price on environmental externalities?

	Use of internal pricing of environmental externalities	Environmental externality priced
	Select from: ☑ Yes	*Select all that apply* ☑ Carbon

[Fixed row]

(5.10.1) Provide details of your organization’s internal price on carbon.

Row 1

(5.10.1.1) Type of pricing scheme

Select from:

☑ Other, please specify **:**Potential carbon restrictions

(5.10.1.2) Objectives for implementing internal price

Select all that apply

☑ Drive low-carbon investment

☑ Identify and seize low-carbon opportunities

☑ Other, please specify **:**Use an internal price for corporate engagement/stewardship purposes

(5.10.1.3) Factors considered when determining the price

Select all that apply

☑ Cost of required measures to achieve climate-related targets

(5.10.1.5) Scopes covered

Select all that apply

☑ Scope 1

☑ Scope 3, Category 3 - Fuel- and energy-related activities (not included in Scope 1 or 2)

(5.10.1.6) Pricing approach used – spatial variance

Select from:

☑ Uniform

(5.10.1.8) Pricing approach used – temporal variance

Select from:

☑ Evolutionary

(5.10.1.9) Indicate how you expect the price to change over time

Resource planning is a dynamic process so the potential carbon restrictions considered therein will also vary with the project economics and conditions.

(5.10.1.12) Business decision-making processes the internal price is applied to

Select all that apply

☑ Capital expenditure

☑ Operations

☑ Risk management

☑ Opportunity management

☑ Public policy engagement

(5.10.1.13) Internal price is mandatory within business decision-making processes

Select from:

☑ No

[Add row]

(5.11) Do you engage with your value chain on environmental issues?

	Engaging with this stakeholder on environmental issues	Environmental issues covered
Suppliers	*Select from:* ☑ Yes	*Select all that apply* ☑ Climate change
Customers	*Select from:* ☑ Yes	*Select all that apply* ☑ Climate change ☑ Water

	Engaging with this stakeholder on environmental issues	Environmental issues covered
Investors and shareholders	*Select from:* ☑ Yes	*Select all that apply* ☑ Climate change
Other value chain stakeholders	*Select from:* ☑ Yes	*Select all that apply* ☑ Climate change

[Fixed row]

(5.11.5) Do your suppliers have to meet environmental requirements as part of your organization's purchasing process?

	Suppliers have to meet specific environmental requirements related to this environmental issue as part of the purchasing process
Climate change	*Select from:* ☑ No, and we do not plan to introduce environmental requirements related to this environmental issue within the next two years

[Fixed row]

(5.11.7) Provide further details of your organization's supplier engagement on environmental issues.

Climate change

(5.11.7.2) Action driven by supplier engagement

Select from:

☑ Emissions reduction

(5.11.7.3) Type and details of engagement

Information collection

☑ Collect GHG emissions data at least annually from suppliers

(5.11.7.4) Upstream value chain coverage

Select all that apply

☑ Tier 1 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

☑ 1-25%

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

MGE annually calculates its emissions from its energy supply mix in its value chain, which provides electric service to its customers. Carbon dioxide (CO2) emissions are calculated from generating units owned by MGE, power purchase agreements and power purchased by MGE on the regional Midcontinent Independent System Operator (MISO) market. The market purchase emission rate is based on a seven-state regional average CO2 emission profile from all power produced in Wisconsin and the surrounding Midwest states. Engagement with our purchase power suppliers helps to inform and to measure our GHG inventory and the progress in achieving the company's carbon reduction goals of at least 80% by 2050 and net-zero carbon electricity by 2050.

Climate change

(5.11.7.2) Action driven by supplier engagement

Select from:

☑ Emissions reduction

(5.11.7.3) Type and details of engagement

Information collection

☑ Collect GHG emissions data at least annually from suppliers

(5.11.7.4) Upstream value chain coverage

Select all that apply

☑ Tier 1 suppliers

(5.11.7.5) % of tier 1 suppliers by procurement spend covered by engagement

Select from:

☑ 26-50%

(5.11.7.9) Describe the engagement and explain the effect of your engagement on the selected environmental action

MGE works with our natural gas suppliers and pipeline operators to estimate emissions in our value chain and to ensure we are serving our customers with cost-effective, environmentally responsible sources of natural gas. MGE contracts with two natural gas transmission companies, Northern Natural Gas, a Berkshire Hathaway Energy Pipeline Group Company, and ANR Pipeline Company, owned by TC Energy. Both of these companies, as part of their sustainability commitments, are part of the ONE Future Coalition. ONE Future is the trade name for "Our Nation's Energy Future Coalition, Inc.," which is a voluntary group of companies working together to reduce methane emissions across the natural gas supply chain to 1% or less by 2025. In its 2023 report, ONE Future cited a methane intensity of less than one half of one percent, beating its 1% goal for the sixth year in a row. Northern Natural Gas and ANR Pipeline Company also are part of the U.S. Environmental Protection Agency's Methane Challenge Program. Partners in this voluntary program report systemic and comprehensive actions to reduce methane emissions as part of efforts to enhance transparency in the industry. Engagement with our natural gas suppliers helps to inform and to measure our GHG inventory and the progress to minimize overall GHG emissions inventory.

[Add row]

(5.11.9) Provide details of any environmental engagement activity with other stakeholders in the value chain.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

☑ Customers

(5.11.9.2) Type and details of engagement

Education/Information sharing

☑ Run an engagement campaign to educate stakeholders about the environmental impacts about your products, goods and/or services

(5.11.9.3) % of stakeholder type engaged

Select from:

☑ 100%

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

Energy efficiency is one of MGE's key strategies for achieving deep decarbonization. Through the use of new technologies, hands-on workshops, energy education (tools and resources), conservation kits and innovative rate options, MGE engages customers to help them take control of their energy use. Engaging and educating our residential and commercial and industrial customers around energy efficiency helps to reduce the amount of electric generation needed and the associated GHG emissions. Engaging with a diverse customer base requires a diverse set of strategies to achieve the company's energy goals. MGE has communications tools (bill inserts, video, websites, newsletters, email marketing, social media, Home Energy Line, advertising, events) as well as programs, products and services (MGE Connect, MyMeter, Charge Ahead, partnership with Focus on Energy, etc.) to advance this key decarbonization strategy. Using a variety of channels, MGE provides culturally and linguistically relevant information, materials, workshops and presentations. We serve customers who come to us for information as well as take information into the community through workshops and other events for direct engagement. MGE's Home Energy Line and Ask the Experts email address to "ask the experts" are efficient ways for residential customers to get energy tips and answers to their energy-related questions via phone or email. MGE also maintains a separate line for commercial and industrial customers who need assistance. MGE also partners with community organizations and works with community media to reach targeted and underserved customers to share and to promote our programs, products and services, resources and tools. In addition, MGE partners with schools and youth-oriented organizations to educate the next generation of consumers about using energy wisely (and safely).

(5.11.9.6) Effect of engagement and measures of success

MGE teams engage in many different ways to reach the company's diverse customer base. One of those ways is through live segments on a local Spanish language radio station. MGE team members cover energy efficiency and conservation, electrification, payment options and safety. Social media is one of the communications vehicles used to share information about energy efficiency and conservation. In addition, MGE engages vulnerable customers through the distribution of energy-saving LED light bulbs and energy resource materials through community partners in targeted geographic areas with high concentrations of low-income families. Focus on Energy, Wisconsin's statewide energy efficiency and renewable resource program, is MGE's partner in energy efficiency and conservation. Through our partnerships with Focus on Energy and other organizations in 2023, we provided 375 Focus on Energy weatherization comfort kits and more than 3,500 LED light bulbs to low-income and vulnerable residential customers. In 2023, MGE business customers who participated in Focus on Energy programs saved more than 2,400 kilowatts (kW); about 14,444,000 kilowatt-hours (kWh); and 661,000 therms. They received nearly 1,775,000 in incentives for completing conservation projects. Residential customers saved nearly 2,700 kW; more than 10,817,000 kWh; and approximately 1,003,000 therms. They received more than 3,400,000 in incentives for completing conservation projects.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

☑ Customers

(5.11.9.2) Type and details of engagement

Innovation and collaboration

☑ Collaborate with stakeholders on innovations to reduce environmental impacts in products and services

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

MGE Connect is a demand response program from MGE. Energy efficiency is a key decarbonization strategy. Electric use peaks during stretches of hot, humid weather when air conditioners run in a majority of households and businesses, putting pressure on the electric grid and generation resources. With MGE Connect, MGE is able to manage participating air conditioners to reduce energy use during periods of high demand, helping to manage both demand on our distribution grid and long-term costs to customers. In summer 2023, MGE Connect helped us reduce peak usage by an average of 4 megawatts per event during a number of days with high demand. This is equal to the energy use of more than 1,300 households during those events. In 2024, MGE expanded the MGE Connect program to include small business customers and controlled water heating options, and it also allows for non-summer events to manage demand throughout the year in anticipation of electrification increasing electric demand for space and water heating.

(5.11.9.6) Effect of engagement and measures of success

In summer 2023, MGE Connect helped us reduce peak usage by an average of 4 megawatts per event during a number of days with high demand. This is equal to the energy use of more than 1,300 households during those events. In 2024, MGE expanded the MGE Connect program to include small business customers and controlled water heating options, and it also allows for non-summer events to manage demand throughout the year in anticipation of electrification increasing electric demand for space and water heating.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

☑ Customers

(5.11.9.2) Type and details of engagement

Innovation and collaboration

☑ Collaborate with stakeholders on innovations to reduce environmental impacts in products and services

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

Residential Battery Storage In late 2020, MGE launched a technology demonstration project featuring battery storage in partnership with several residential electric customers who have solar photovoltaic systems. The homeowner's rooftop solar system charges the battery, which is used during times of peak demand and as a backup source of power for the household. This project helps MGE understand how batteries operate in Wisconsin temperatures and how batteries could help control long-term costs by managing our collective use of energy.

(5.11.9.6) Effect of engagement and measures of success

This program is in its infancy and four customers are currently engaged.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

☑ Customers

(5.11.9.2) Type and details of engagement

Innovation and collaboration

☑ Collaborate with stakeholders on innovations to reduce environmental impacts in products and services

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

Charge Ahead The electrification of transportation is one of MGE's key strategies for deep decarbonization. MGE launched the Charge Ahead demonstration project for electric vehicles (EVs) in March 2021. This program gives eligible EV drivers the opportunity to test new technology for MGE to manage EV charging. The partnership with customers helps MGE explore ways to meet the needs of EV drivers into the future while planning for the impact of EVs on our distribution grid. A software platform is used to manage charging through the vehicles' on-board communications systems. Charge Ahead customers provide a need-by time for their

vehicle and enable smart charging. The software then optimizes charging. In the program's inaugural year, participating customers were assigned to one of three groups that allowed MGE to shift 80% of charging to off-peak times or curtail charging during peak times. The opportunity to shift EV charging to lower-cost times and to periods when renewable generation is most productive will help us prepare for more EV charging on our distribution grid. Managed charging also serves to benefit all MGE customers by reducing the need for electrical system upgrades and new generation facilities long term. As more drivers opt for EVs, MGE's ability to work with customers to manage charging becomes increasingly important.

(5.11.9.6) Effect of engagement and measures of success

In 2023, more than 50 customers were enrolled in Charge Ahead. MGE has regulatory approval to expand Charge Ahead to 200 participants through 2024.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

☑ Customers

(5.11.9.2) Type and details of engagement

Innovation and collaboration

☑ Collaborate with stakeholders on innovations to reduce environmental impacts in products and services

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

MyMeter Energy Dashboard MGE's commercial customers have access to MGE's MyMeter energy dashboard, formerly known as MGE's On Demand Savings (ODS) program. MyMeter allows customers to track their energy usage daily, set threshold alerts and energy markers and to benchmark their facilities. MyMeter provides electric and natural gas monthly billing and cost data; enables automated benchmarking services to allow commercial property owners to benchmark their buildings using ENERGY STAR Portfolio Manager; and, allows users to set monthly energy challenge goals. MyMeter builds upon the success of MGE's ODS program, which offered large customers tools and strategies to reduce their energy use, especially during periods when demand for electricity is at its peak. ODS used an online dashboard to give customers near real-time energy usage information, enabling them to act to cut costs and to reduce their environmental footprint. The ODS program was recognized in 2018 with an Inspiring Efficiency Award for Innovation by the Midwest Energy Efficiency Alliance, a regional organization dedicated to advancing energy-efficient technologies, products and best practices.

(5.11.9.6) Effect of engagement and measures of success

A 2021 third-party evaluation of the On Demand Savings (ODS) program, which preceded MGE's MyMeter Energy Dashboard, revealed high levels of customer satisfaction. The evaluators found an average demand reduction of 3.3% across all participating sites and a 4% reduction in energy use.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

☑ Customers

(5.11.9.2) Type and details of engagement

Innovation and collaboration

☑ Other innovation and collaboration, please specify **:**Renewable Flat Bill Pilot

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

MGE's Renewable Flat Bill program offers eligible residential electric customers the opportunity to sign up for a fixed monthly electric bill based on their expected usage. Qualified participants receive 100% renewable energy with a monthly fixed bill for 12 months. The pilot program utilizes MGE's Green Power Tomorrow (GPT) program. Each kilowatt-hour (kWh) of electricity that is purchased by customers participating in GPT will be from renewable energy resources in our area, including wind farms and solar arrays. Those purchased kWh include the environmental benefits, or Renewable Energy Certificates, which are retired on behalf of the customer.

(5.11.9.6) Effect of engagement and measures of success

Participation in the pilot in 2023 varied from 10 to 13 customers throughout the year. MGE has approval to increase the participation limit to 200 participants.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

☑ Customers

(5.11.9.2) Type and details of engagement

Innovation and collaboration

☑ Other innovation and collaboration, please specify :Shared Solar

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

MGE works with customers to grow the company's use of clean energy. MGE's community solar program, Shared Solar, offers customers locally generated solar energy at minimal upfront cost. Shared Solar gives residential and small business customers the option to power their household or business with local solar for up to half of their annual energy use. Shared Solar participants lock in electricity rates to help protect against increases over time. Also, Shared Solar supports local renewable energy to reduce the customer's carbon footprint and helps MGE to achieve net-zero carbon electricity. It offers an easy and affordable way for customers to support locally generated clean energy.

(5.11.9.6) Effect of engagement and measures of success

MGE's Shared Solar program has about 2,000 customers enrolled and an active waiting list of customers seeking participation. In 2024, MGE filed an application with State regulators seeking approval of a new community solar program largely based on Shared Solar. Shared Solar II would offer participants the option to pay a minimal up-front fee to subscribe to receive energy from a local solar array for six years as the company continues to work toward reduced carbon emissions of at least 80% by 2030 (based on 2005 levels). The proposal includes an option that would make participation in the program easier for lower income customers who receive energy assistance. Under the proposed low-income option, eligible customers would pay a smaller up-front participation fee to reserve shares and a lower energy rate to participate. This energy rate also would be fixed for the duration of the six-year agreement.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

☑ Customers

(5.11.9.2) Type and details of engagement

Innovation and collaboration

☑ Other innovation and collaboration, please specify :Renewable Energy Rider

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

MGE's Renewable Energy Rider program gives MGE and larger commercial/business customers who seek customized renewable energy solutions the opportunity to partner to grow locally generated renewable energy. The program is designed to meet the needs and goals of companies that support or have signed on to the Corporate Renewable Energy Buyers' Principles, a collaboration facilitated by the World Resources Institute and the World Wildlife Fund. This service from MGE can provide renewable energy to power all or a portion of a business. MGE is the first utility in Wisconsin to offer this opportunity.

(5.11.9.6) Effect of engagement and measures of success

To date, MGE is partnering with the following customers through RER agreements: University of Wisconsin-Madison, State of Wisconsin Department of Administration, City of Fitchburg, Placon, Promega Corporation, Tribe 9 Foods, Willy Street Co-op, City of Middleton, Middleton-Cross Plains Area School District, City of Madison, Madison Metropolitan School District and Dane County. MGE has built more than 40 MW of solar capacity under RER agreements.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

☑ Customers

(5.11.9.2) Type and details of engagement

Innovation and collaboration

☑ Other innovation and collaboration, please specify **:**Green Power Tomorrow

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

MGE's Green Power Tomorrow (GPT) is the company's green pricing program. At a penny more per kilowatt-hour (kWh), GPT is a convenient and effective way for customers to support local and regional renewable energy from MGE and offset their greenhouse gas emissions. The GPT program is served by MGE's wind and solar resources in the region. In 2024, MGE expanded the program to include a Renewable Natural Gas (RNG) pilot option to offer customers the ability to reduce their carbon impacts for their natural gas usage.

(5.11.9.6) Effect of engagement and measures of success

Approximately 10,000 MGE electric customers are enrolled in GPT; these customers support green power that's generated in our region.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

☑ Customers

(5.11.9.2) Type and details of engagement

Innovation and collaboration

☑ Other innovation and collaboration, please specify **:**Community Shared Decarbonization Goals

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

MGE has ongoing collaborations with a number of communities it serves, including the cities of Fitchburg, Madison and Middleton. These partnerships serve to advance shared goals around renewable energy, electric vehicles (EVs), and energy efficiency and conservation. MGE is a longtime partner of Sustain Dane, a local organization that has offered innovative programs for local residents and businesses for 25 years. During this time, Sustain Dane has been recognized as a leader in helping local organizations set and achieve sustainability goals. MGE and the City of Madison have partnered with Sustain Dane to host Accelerate Sustainability Workshops, which help local professionals learn more about sustainability best practices through local case studies. MGE also has served as a member of the Dane County Council on Climate Change, which included local government, businesses, utilities and environmental organizations. MGE's partnership with local stakeholders through the council offered another opportunity to work toward common goals, including deep decarbonization. As MGE advances electrification as a decarbonization strategy, MGE works with customers, stakeholders such as municipalities and school districts, and other community partners to grow the use of electric vehicles (EVs) and to facilitate charging options throughout its service territory. MGE also helps to educate customers, businesses and communities at-large about the benefits of EVs. MGE experts have been and continue to be on hand at many community events with a variety of EVs to share information on driving and charging EVs. For example, each year, MGE sponsors an EV Expo in Madison to share information about EVs and EV charging.

(5.11.9.6) Effect of engagement and measures of success

The impact of our collaborations with municipalities and businesses and other community partners is detailed in our annual Corporate Responsibility and Sustainability Report at mge.com/environment. We continue to build on these collaborations in many different ways. For example, the Connected Communities project is a Department of Energy-funded collaboration between MGE, the City of Madison and others to advance the adoption of Grid Interactive Energy Efficient Buildings (GEBs). The first phase of the project will include a GEB installation on a selection of City of Madison facilities. The second phase will take the knowledge learned in the demonstration phase to create an MGE GEBs Pilot Program.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

☑ Customers

(5.11.9.2) Type and details of engagement

Innovation and collaboration

☑ Other innovation and collaboration, please specify **:**Water Heating Optimization

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

MGE partnered with residents at a local condominium and rental community to test technology that allowed MGE to shift water heating without impacting customer comfort as part of ongoing grid optimization efforts. The installation of smart devices on the residents' water heaters helped MGE to shift water heating to periods when renewable resources were generating the most electricity or to off-peak periods on the distribution grid.

(5.11.9.6) Effect of engagement and measures of success

MGE completed its Managed Electric Water Heater Demonstration Project in early 2023. The project successfully tested the optimization of managed controls to optimize both winter and summer time- of-use rates as well as solar sponging to maximize renewable energy use during summer middays (while also reducing load during potential peak hours).

Climate change

(5.11.9.1) Type of stakeholder

Select from:

☑ Customers

(5.11.9.2) Type and details of engagement

Innovation and collaboration

☑ Other innovation and collaboration, please specify **:**Charge@Home

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

Transportation is the leading contributor of greenhouse gas emissions in the U.S. The electrification of transportation is a key strategy for reducing carbon emissions. MGE is working with customers, stakeholders, municipalities and other community partners to grow the use of EVs and to facilitate charging options throughout our community, including at home, at work and on the go. MGE's public charging network is powered by 100% renewable energy. Charge@Home is MGE's home charging program. With Charge@Home, MGE owns, maintains and coordinates the installation of Level 2 charging stations at customers' homes. The program gives MGE the ability to study drivers' charging habits and to explore remote management of charging sessions to better understand the potential impact of EVs on the grid, including how grid management can help to lower costs for all MGE customers by optimizing our use of generation resources. MGE also helps area employers of all sizes and multifamily developers who want to offer employees and residents charging, and MGE works with businesses interested in transitioning their fleets to EVs. We discuss options with customers and help them navigate the decision-making and implementation process.

(5.11.9.6) Effect of engagement and measures of success

At close of 2023, more than 200 customers were participating in Charge@Home.

Climate change

(5.11.9.1) Type of stakeholder

Select from:

☑ Customers

(5.11.9.2) Type and details of engagement

Education/Information sharing

☑ Share information on environmental initiatives, progress and achievements

(5.11.9.5) Rationale for engaging these stakeholders and scope of engagement

The MGE Energy and MGE Boards of Directors believe that understanding and considering shareholder perspectives advances accountability and transparency. Our investor relations efforts also help executive management and the board understand how investors view the company's policies, practices, strategies and long-term direction and help leadership assess and address investors' emerging areas of interest, such as topics related to environmental, social and governance matters.

(5.11.9.6) Effect of engagement and measures of success

Officers engage shareholders in several ways, including through discussions with a number of our institutional shareholders; presentations at industry conferences and investor meetings; meetings with analysts and investment firms; our Annual Meeting of shareholders; and inquiries taken through the company's investor site, board emails and in-house Shareholder Services staff. These efforts are in addition to the company's regular and ongoing investor relations engagement.

[Add row]

C6. Environmental Performance - Consolidation Approach

(6.1) Provide details on your chosen consolidation approach for the calculation of environmental performance data.

	Consolidation approach used
Climate change	*Select from:* ☑ Equity share
Water	*Select from:* ☑ Equity share
Biodiversity	*Select from:* ☑ Operational control

[Fixed row]

C7. Environmental performance - Climate Change

(7.1) Is this your first year of reporting emissions data to CDP?

Select from:
☑ No

(7.1.1) Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?

	Has there been a structural change?
	Select all that apply ☑ No

[Fixed row]

(7.1.2) Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?

	Change(s) in methodology, boundary, and/or reporting year definition?
	Select all that apply ☑ No

[Fixed row]

(7.2) Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.

Select all that apply

☑ The Greenhouse Gas Protocol: Scope 2 Guidance
☑ US EPA Mandatory Greenhouse Gas Reporting Rule
☑ US EPA Emissions & Generation Resource Integrated Database (eGRID)
☑ The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)
☑ US EPA Center for Corporate Climate Leadership: Indirect Emissions From Purchased Electricity
☑ US EPA Center for Corporate Climate Leadership: Direct Emissions from Mobile Combustion Sources
☑ US EPA Center for Corporate Climate Leadership: Direct Emissions from Stationary Combustion Sources
☑ US EPA Center for Corporate Climate Leadership: Direct Fugitive Emissions from Refrigeration, Air Conditioning, Fire Suppression, and Industrial Gases

(7.3) Describe your organization's approach to reporting Scope 2 emissions.

	Scope 2, location-based	Scope 2, market-based
	Select from: ☑ We are reporting a Scope 2, location-based figure	*Select from:* ☑ We are reporting a Scope 2, market-based figure

[Fixed row]

(7.4) Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?

Select from:

☑ No

(7.5) Provide your base year and base year emissions.

Scope 1

(7.5.1) Base year end

12/31/2014

(7.5.2) Base year emissions (metric tons CO2e)

1803960

(7.5.3) Methodological details

Includes estimated emissions from owned electricity generation, facility fuel usage, fleet fuel usage, and refrigerant losses.

Scope 2 (location-based)

(7.5.1) Base year end

12/31/2014

(7.5.2) Base year emissions (metric tons CO2e)

21452

(7.5.3) Methodological details

Emissions are from estimated distribution line losses associated with purchased power.

Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)

(7.5.1) Base year end

12/31/2014

(7.5.2) Base year emissions (metric tons CO2e)

791926

(7.5.3) Methodological details

Includes emissions from purchased power for resale calculated using a regional emission factor.

Scope 3 category 11: Use of sold products

(7.5.1) Base year end

12/31/2014

(7.5.2) Base year emissions (metric tons CO2e)

1309834.2

(7.5.3) Methodological details

As reported and following the requirements and methods of 40 CFR Part 98, Subpart NN. MGE reports the potential CO2 quantities associated with natural gas received by end-users that receive less than 460,000 thousand standard cubic feet of natural gas per year at a single meter.
[Fixed row]

(7.6) What were your organization’s gross global Scope 1 emissions in metric tons CO2e?

Reporting year

(7.6.1) Gross global Scope 1 emissions (metric tons CO2e)

1637171

(7.6.3) Methodological details

Scope 1 emissions from 2023 include company-owned fossil fuel electricity generation, other fossil fuel-fired equipment at company facilities, fleet vehicles, refrigerant losses, and natural gas distribution system losses.
[Fixed row]

(7.7) What were your organization's gross global Scope 2 emissions in metric tons CO2e?

	Gross global Scope 2, location-based emissions (metric tons CO2e)	Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)	Methodological details
Reporting year	*6690*	*6690*	*Emissions are from estimated distribution line losses associated with purchased power.*

[Fixed row]

(7.8) Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

Purchased goods and services

(7.8.1) Evaluation status

Select from:
☑ Relevant, not yet calculated

(7.8.5) Please explain

Data and systems to track this information and estimate this category of Scope 3 emissions are not yet in place.

Capital goods

(7.8.1) Evaluation status

Select from:

☑ Relevant, not yet calculated

(7.8.5) Please explain

Data and systems to track this information and estimate this category of Scope 3 emissions are not yet in place.

Fuel-and-energy-related activities (not included in Scope 1 or 2)

(7.8.1) Evaluation status

Select from:
☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

491226

(7.8.3) Emissions calculation methodology

Select all that apply
☑ Hybrid method

(7.8.4) Percentage of emissions calculated using data obtained from suppliers or value chain partners

7

(7.8.5) Please explain

Category 3 includes emissions from purchased power sold to end users, and upstream emissions from purchased natural gas. For energy market purchases from the Midcontinent Independent System Operator (MISO), an emission rate is used that reflects regional average data from 7 states: Wisconsin, Minnesota, Illinois, Iowa, Missouri, Indiana, and Michigan. For non-emitting renewable energy sources, including wind and solar, there are zero emissions. The regional average rates are determined using the latest actual generation data from the U.S. Energy Information Administration (EIA). Upstream emissions from purchased natural gas are calculated using an average production loss based on the review of several peer reviewed studies, and represent emissions from natural gas upstream of the MGE distribution system.

Upstream transportation and distribution

(7.8.1) Evaluation status

Select from:

☑ Relevant, not yet calculated

(7.8.5) Please explain

MGE is in the process of evaluating potential methods for calculating emissions from this Scope 3 category.

Waste generated in operations

(7.8.1) Evaluation status

Select from:

☑ Relevant, not yet calculated

(7.8.5) Please explain

Data and systems to track this information and estimate this category of Scope 3 emissions are not yet in place.

Business travel

(7.8.1) Evaluation status

Select from:

☑ Relevant, not yet calculated

(7.8.5) Please explain

Data and systems to track this information and estimate this category of Scope 3 emissions are not yet in place.

Employee commuting

(7.8.1) Evaluation status

Select from:
☑ Relevant, not yet calculated

(7.8.5) Please explain

Data and systems to track this information and estimate this category of Scope 3 emissions are not yet in place.

Upstream leased assets

(7.8.1) Evaluation status

Select from:
☑ Relevant, not yet calculated

(7.8.5) Please explain

Not applicable.

Downstream transportation and distribution

(7.8.1) Evaluation status

Select from:
☑ Relevant, not yet calculated

(7.8.5) Please explain

Not applicable.

Processing of sold products

(7.8.1) Evaluation status

Select from:
☑ Relevant, not yet calculated

(7.8.5) Please explain

Not applicable.

Use of sold products

(7.8.1) Evaluation status

Select from:

☑ Relevant, calculated

(7.8.2) Emissions in reporting year (metric tons CO2e)

1364922

(7.8.3) Emissions calculation methodology

Select all that apply

☑ Other, please specify **:**Methodology from 40 CFR 98, Subpart NN

(7.8.5) Please explain

As reported and following the requirements and methods of 40 CFR Part 98, Subpart NN. MGE reports the potential CO2 quantities associated with natural gas received by end-users that receive less than 460,000 thousand standard cubic feet of natural gas per year at a single meter. The emissions represent all natural gas received by MGE customers.

End of life treatment of sold products

(7.8.1) Evaluation status

Select from:

☑ Not relevant, explanation provided

(7.8.5) Please explain

Electricity and natural gas products do not have a conventional useful life.

Downstream leased assets

(7.8.1) Evaluation status

Select from:
☑ Not relevant, explanation provided

(7.8.5) Please explain

Not applicable.

Franchises

(7.8.1) Evaluation status

Select from:
☑ Not relevant, explanation provided

(7.8.5) Please explain

Not applicable.

Investments

(7.8.1) Evaluation status

Select from:
☑ Relevant, not yet calculated

(7.8.5) Please explain

Data and systems to track this information and estimate this category of Scope 3 emissions are not yet in place.

Other (upstream)

(7.8.1) Evaluation status

Select from:
☑ Not evaluated

Other (downstream)

(7.8.1) Evaluation status

Select from:
☑ Not evaluated
[Fixed row]

(7.9) Indicate the verification/assurance status that applies to your reported emissions.

	Verification/assurance status
Scope 1	*Select from:* ☑ Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	*Select from:* ☑ No third-party verification or assurance
Scope 3	*Select from:* ☑ No third-party verification or assurance

[Fixed row]

(7.9.1) Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

Row 1

(7.9.1.1) Verification or assurance cycle in place

Select from:
☑ Annual process

(7.9.1.2) Status in the current reporting year

Select from:
☑ Complete

(7.9.1.3) Type of verification or assurance

Select from:
☑ Not applicable

(7.9.1.6) Relevant standard

Select from:
☑ Other, please specify **:**Scope 1 GHG emissions are calculated by direct measurement of CO2 emissions using a 40 CFR, Part 75 certified CEMS or by using default CO2 emission factors and applying that carbon content to the amount of fuel burned during the reporting year.

(7.9.1.7) Proportion of reported emissions verified (%)

99
[Add row]

(7.10) How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?

Select from:

☑ Increased

(7.10.1) Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.

Acquisitions

(7.10.1.1) Change in emissions (metric tons CO2e)

41877

(7.10.1.2) Direction of change in emissions

Select from:

☑ Increased

(7.10.1.3) Emissions value (percentage)

3

(7.10.1.4) Please explain calculation

In 2023 MGE acquired a 25-MW share of the West Riverside Energy Center located near Beloit, Wisconsin. The difference in emissions from 2022 to 2023 are primarily due this addition.

Unidentified

(7.10.1.1) Change in emissions (metric tons CO2e)

20136

(7.10.1.2) Direction of change in emissions

Select from:

☑ Decreased

(7.10.1.3) Emissions value (percentage)

1

(7.10.1.4) Please explain calculation

Excluding the acquisition of the West Riverside Energy Center, total Scope 1 emissions from other sources at MGE decreased by about 1% when compared to 2022 totals.
[Fixed row]

(7.10.2) Are your emissions performance calculations in 7.10 and 7.10.1 based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?

Select from:
☑ Market-based

(7.12) Are carbon dioxide emissions from biogenic carbon relevant to your organization?

Select from:
☑ No

(7.15) Does your organization break down its Scope 1 emissions by greenhouse gas type?

Select from:
☑ Yes

(7.15.1) Break down your total gross global Scope 1 emissions by greenhouse gas type and provide the source of each used global warming potential (GWP).

Row 1

(7.15.1.1) Greenhouse gas

Select from:

☑ CO2

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

1611395

(7.15.1.3) GWP Reference

Select from:

☑ IPCC Fifth Assessment Report (AR5 – 100 year)

Row 2

(7.15.1.1) Greenhouse gas

Select from:

☑ CH4

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

607

(7.15.1.3) GWP Reference

Select from:

☑ IPCC Fifth Assessment Report (AR5 – 100 year)

Row 3

(7.15.1.1) Greenhouse gas

Select from:

☑ N2O

(7.15.1.2) Scope 1 emissions (metric tons of CO2e)

22

(7.15.1.3) GWP Reference

Select from:
☑ IPCC Fifth Assessment Report (AR5 – 100 year)
[Add row]

(7.15.3) Break down your total gross global Scope 1 emissions from electric utilities value chain activities by greenhouse gas type.

Fugitives

(7.15.3.1) Gross Scope 1 CO2 emissions (metric tons CO2)

18

(7.15.3.2) Gross Scope 1 methane emissions (metric tons CH4)

588

(7.15.3.4) Total gross Scope 1 emissions (metric tons CO2e)

16493

(7.15.3.5) Comment

Fugitives include natural gas system losses.

Combustion (Electric utilities)

(7.15.3.1) Gross Scope 1 CO2 emissions (metric tons CO2)

1605359

(7.15.3.2) Gross Scope 1 methane emissions (metric tons CH4)

19

(7.15.3.4) Total gross Scope 1 emissions (metric tons CO2e)

1611688

(7.15.3.5) Comment

Combustion (Electric utilities) includes emissions from fossil fuel electricity generation.

Combustion (Other)

(7.15.3.1) Gross Scope 1 CO2 emissions (metric tons CO2)

6019

(7.15.3.2) Gross Scope 1 methane emissions (metric tons CH4)

0

(7.15.3.4) Total gross Scope 1 emissions (metric tons CO2e)

6031

(7.15.3.5) Comment

Combustion (other) includes emissions from fuel use at MGE facilities and mobile sources.

Emissions not elsewhere classified

(7.15.3.4) Total gross Scope 1 emissions (metric tons CO2e)

2959

(7.15.3.5) Comment

Emissions not elsewhere classified includes refrigeration system losses.
[Fixed row]

(7.16) Break down your total gross global Scope 1 and 2 emissions by country/area.

	Scope 1 emissions (metric tons CO2e)	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
United States of America	*1637171*	*6690*	*6690*

[Fixed row]

(7.17) Indicate which gross global Scope 1 emissions breakdowns you are able to provide.

Select all that apply
☑ By activity

(7.17.3) Break down your total gross global Scope 1 emissions by business activity.

	Activity	Scope 1 emissions (metric tons CO2e)
Row 1	*Electricity generation*	*1611688*
Row 2	*Other stationary combustion*	*4360*
Row 3	*Mobile source combustion*	*1671.5*
Row 4	*Natural gas distribution system losses*	*16493.5*
Row 5	*Refrigerant losses*	*2959*

[Add row]

(7.19) Break down your organization’s total gross global Scope 1 emissions by sector production activity in metric tons CO2e.

	Gross Scope 1 emissions, metric tons CO2e	Comment
Electric utility activities	*1611688*	*This amount represents CO2e from electricity generation by company-owned facilities.*

[Fixed row]

(7.20) Indicate which gross global Scope 2 emissions breakdowns you are able to provide.

Select all that apply

☑ By activity

(7.20.3) Break down your total gross global Scope 2 emissions by business activity.

	Activity	Scope 2, location-based (metric tons CO2e)	Scope 2, market-based (metric tons CO2e)
Row 1	*Line losses associated with purchased power.*	*6690*	*6690*

[Add row]

(7.22) Break down your gross Scope 1 and Scope 2 emissions between your consolidated accounting group and other entities included in your response.

Consolidated accounting group

(7.22.1) Scope 1 emissions (metric tons CO2e)

1637171

(7.22.2) Scope 2, location-based emissions (metric tons CO2e)

6690

(7.22.3) Scope 2, market-based emissions (metric tons CO2e)

6690

(7.22.4) Please explain

All MGE Scope 1 and Scope 2 emissions reported are included within the consolidated accounting group.

All other entities

(7.22.1) Scope 1 emissions (metric tons CO2e)

0

(7.22.2) Scope 2, location-based emissions (metric tons CO2e)

0

(7.22.3) Scope 2, market-based emissions (metric tons CO2e)

0

(7.22.4) Please explain

There are no other entities to report.
[Fixed row]

(7.23) Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?

Select from:
☑ Not relevant as we do not have any subsidiaries

(7.29) What percentage of your total operational spend in the reporting year was on energy?

Select from:
☑ More than 15% but less than or equal to 20%

(7.30) Select which energy-related activities your organization has undertaken.

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	*Select from:* ☑ Yes
Consumption of purchased or acquired electricity	*Select from:* ☑ Yes
Consumption of purchased or acquired heat	*Select from:* ☑ No
Consumption of purchased or acquired steam	*Select from:* ☑ No
Consumption of purchased or acquired cooling	*Select from:* ☑ No
Generation of electricity, heat, steam, or cooling	*Select from:* ☑ Yes

[Fixed row]

(7.30.1) Report your organization’s energy consumption totals (excluding feedstocks) in MWh.

Consumption of fuel (excluding feedstock)

(7.30.1.1) Heating value

Select from:

☑ HHV (higher heating value)

(7.30.1.2) MWh from renewable sources

0

(7.30.1.3) MWh from non-renewable sources

5545436

(7.30.1.4) Total (renewable and non-renewable) MWh

5545436

Consumption of purchased or acquired electricity

(7.30.1.2) MWh from renewable sources

0

(7.30.1.3) MWh from non-renewable sources

3590

(7.30.1.4) Total (renewable and non-renewable) MWh

3590

Consumption of self-generated non-fuel renewable energy

(7.30.1.2) MWh from renewable sources

48

(7.30.1.4) Total (renewable and non-renewable) MWh

48

Total energy consumption

(7.30.1.2) MWh from renewable sources

48

(7.30.1.3) MWh from non-renewable sources

5537159

(7.30.1.4) Total (renewable and non-renewable) MWh

5549073
[Fixed row]

(7.30.6) Select the applications of your organization’s consumption of fuel.

	Indicate whether your organization undertakes this fuel application
Consumption of fuel for the generation of electricity	*Select from:* ☑ Yes
Consumption of fuel for the generation of heat	*Select from:* ☑ Yes
Consumption of fuel for the generation of steam	*Select from:* ☑ No
Consumption of fuel for the generation of cooling	*Select from:* ☑ No
Consumption of fuel for co-generation or tri-generation	*Select from:* ☑ Yes

[Fixed row]

(7.30.7) State how much fuel in MWh your organization has consumed (excluding feedstocks) by fuel type.

Sustainable biomass

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.6) MWh fuel consumed for self-generation of cooling

0

(7.30.7.7) MWh fuel consumed for self- cogeneration or self-trigeneration

0

Other biomass

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.6) MWh fuel consumed for self-generation of cooling

0

(7.30.7.7) MWh fuel consumed for self- cogeneration or self-trigeneration

0

Other renewable fuels (e.g. renewable hydrogen)

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.6) MWh fuel consumed for self-generation of cooling

0

(7.30.7.7) MWh fuel consumed for self- cogeneration or self-trigeneration

0

Coal

(7.30.7.1) Heating value

Select from:
☑ HHV

(7.30.7.2) Total fuel MWh consumed by the organization

4193228

(7.30.7.3) MWh fuel consumed for self-generation of electricity

4193228

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.6) MWh fuel consumed for self-generation of cooling

0

(7.30.7.7) MWh fuel consumed for self- cogeneration or self-trigeneration

0

Oil

(7.30.7.1) Heating value

Select from:
☑ HHV

(7.30.7.2) Total fuel MWh consumed by the organization

2100

(7.30.7.3) MWh fuel consumed for self-generation of electricity

2073

(7.30.7.4) MWh fuel consumed for self-generation of heat

21

(7.30.7.6) MWh fuel consumed for self-generation of cooling

0

(7.30.7.7) MWh fuel consumed for self- cogeneration or self-trigeneration

5

Gas

(7.30.7.1) Heating value

Select from:
☑ HHV

(7.30.7.2) Total fuel MWh consumed by the organization

1350107

(7.30.7.3) MWh fuel consumed for self-generation of electricity

626685

(7.30.7.4) MWh fuel consumed for self-generation of heat

23115

(7.30.7.6) MWh fuel consumed for self-generation of cooling

0

(7.30.7.7) MWh fuel consumed for self- cogeneration or self-trigeneration

700307

Other non-renewable fuels (e.g. non-renewable hydrogen)

(7.30.7.2) Total fuel MWh consumed by the organization

0

(7.30.7.3) MWh fuel consumed for self-generation of electricity

0

(7.30.7.4) MWh fuel consumed for self-generation of heat

0

(7.30.7.6) MWh fuel consumed for self-generation of cooling

0

(7.30.7.7) MWh fuel consumed for self- cogeneration or self-trigeneration

0

Total fuel

(7.30.7.1) Heating value

Select from:
☑ HHV

(7.30.7.2) Total fuel MWh consumed by the organization

5545436

(7.30.7.3) MWh fuel consumed for self-generation of electricity

4821987

(7.30.7.4) MWh fuel consumed for self-generation of heat

23136

(7.30.7.6) MWh fuel consumed for self-generation of cooling

0

(7.30.7.7) MWh fuel consumed for self- cogeneration or self-trigeneration

700313
[Fixed row]

(7.30.16) Provide a breakdown by country/area of your electricity/heat/steam/cooling consumption in the reporting year.

United States of America

(7.30.16.1) Consumption of purchased electricity (MWh)

0

(7.30.16.2) Consumption of self-generated electricity (MWh)

3801

(7.30.16.4) Consumption of purchased heat, steam, and cooling (MWh)

0

(7.30.16.5) Consumption of self-generated heat, steam, and cooling (MWh)

78942

(7.30.16.6) Total electricity/heat/steam/cooling energy consumption (MWh)

82743.00
[Fixed row]

(7.33) Does your electric utility organization have a transmission and distribution business?

Select from:
☑ Yes

(7.33.1) Disclose the following information about your transmission and distribution business.

Row 1

(7.33.1.1) Country/area/region

Select from:
☑ United States of America

(7.33.1.2) Voltage level

Select from:
☑ Distribution (low voltage)

(7.33.1.3) Annual load (GWh)

3387

(7.33.1.4) Annual energy losses (% of annual load)

2

(7.33.1.5) Scope where emissions from energy losses are accounted for

Select from:

☑ Scope 2 (location-based)

(7.33.1.6) Emissions from energy losses (metric tons CO2e)

6690

(7.33.1.7) Length of network (km)

3486

(7.33.1.9) Area covered (km2)

684

(7.33.1.10) Comment

Scope 2 emissions from energy losses are from purchased power only. Emissions from energy losses from electricity generated and distributed by MGE-owned facilities are already accounted for in Scope 1 emissions.
[Add row]

(7.45) Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.

Row 1

(7.45.1) Intensity figure

0.0024

(7.45.2) Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

1643861

(7.45.3) Metric denominator

Select from:

☑ unit total revenue

(7.45.4) Metric denominator: Unit total

690431000

(7.45.5) Scope 2 figure used

Select from:

☑ Location-based

(7.45.6) % change from previous year

4

(7.45.7) Direction of change

Select from:

☑ Increased

(7.45.8) Reasons for change

Select all that apply

☑ Other emissions reduction activities

☑ Acquisitions

(7.45.9) Please explain

In 2023 MGE acquired a 25-MW share of the West Riverside Energy Center located near Beloit, Wisconsin. The difference in emissions from 2022 to 2023 are primarily due this addition. Excluding this acquisition, total Scope 1 and Scope 2 emissions from other sources at MGE decreased by about 1% when compared to 2022 totals and are dependent on market and weather conditions.

[Add row]

(7.46) For your electric utility activities, provide a breakdown of your Scope 1 emissions and emissions intensity relating to your total power plant capacity and generation during the reporting year by source.

	Absolute scope 1 emissions (metric tons CO2e)	Emissions intensity based on gross or net electricity generation	Scope 1 emissions intensity (Net generation)
Coal – hard	*1360893*	*Select from:* ☑ Net	*1000.88*
Oil	*524*	*Select from:* ☑ Net	*1048.00*
Gas	*243939*	*Select from:* ☑ Net	*430.23*
Wind	*0*	*Select from:* ☑ Net	*0.00*
Solar	*0*	*Select from:* ☑ Net	*0.00*
Total	*1605356*	*Select from:* ☑ Net	*628.25*

[Fixed row]

(7.53) Did you have an emissions target that was active in the reporting year?

Select all that apply

☑ Absolute target

(7.53.1) Provide details of your absolute emissions targets and progress made against those targets.

Row 1

(7.53.1.1) Target reference number

Select from:

☑ Abs 1

(7.53.1.2) Is this a science-based target?

Select from:

☑ No, but we are reporting another target that is science-based

(7.53.1.5) Date target was set

01/01/2005

(7.53.1.6) Target coverage

Select from:

☑ Business activity

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

☑ Carbon dioxide (CO2)

(7.53.1.8) Scopes

Select all that apply

☑ Scope 1

☑ Scope 3

(7.53.1.10) Scope 3 categories

Select all that apply

☑ Scope 3, Category 3 – Fuel- and energy- related activities (not included in Scope 1 or 2)

(7.53.1.11) End date of base year

12/30/2005

(7.53.1.12) Base year Scope 1 emissions covered by target (metric tons CO2e)

2308469

(7.53.1.16) Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

912517

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

912517.000

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

3220986.000

(7.53.1.55) Targeted reduction from base year (%)

20

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

2576788.800

(7.53.1.57) Scope 1 emissions in reporting year covered by target (metric tons CO2e)

1605357

(7.53.1.61) Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

334490

(7.53.1.76) Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

334490.000

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

1939847.000

(7.53.1.78) Land-related emissions covered by target

Select from:

☑ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

198.87

(7.53.1.80) Target status in reporting year

Select from:

☑ Achieved

(7.53.1.82) Explain target coverage and identify any exclusions

In 2005, MGE set a goal to reduce CO2 emissions from electric energy supplied to customers by at least 20% by 2015. Our decarbonization goals for electricity supplied to our customers include emissions from our owned generation (Scope 1) and purchased generation (Scope 3). We include this previously achieved target to demonstrate MGE's commitment to GHG emissions reductions and to illustrate the company's approach to goal-setting. Our carbon reduction goals are consistent with climate science and signal the company's direction but do not determine its pace in working to achieve decarbonization as quickly and cost-effectively as possible.

(7.53.1.86) List the emissions reduction initiatives which contributed most to achieving this target

In 2011, MGE discontinued burning coal at the Blount Generating Station as part of its previous long-term framework called Energy 2015. In addition to discontinuing the use of coal at Blount, under Energy 2015, MGE increased its energy from renewable resources by almost 12 times between 2005 and 2015 in order to achieve the 20% goal. In 2015, MGE set the additional goal to reduce CO2 emissions from electric energy supplied to customers from 2005 levels by at least 40% by 2030, and has since updated this goal to an 80% reduction from 2005 levels by 2030.

Row 2

(7.53.1.1) Target reference number

Select from:

☑ Abs 3

(7.53.1.2) Is this a science-based target?

Select from:

☑ No, but we are reporting another target that is science-based

(7.53.1.5) Date target was set

01/01/2020

(7.53.1.6) Target coverage

Select from:

☑ Business activity

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

☑ Carbon dioxide (CO2)

(7.53.1.8) Scopes

Select all that apply

☑ Scope 1

☑ Scope 3

(7.53.1.10) Scope 3 categories

Select all that apply

☑ Scope 3, Category 3 – Fuel- and energy- related activities (not included in Scope 1 or 2)

(7.53.1.11) End date of base year

12/31/2005

(7.53.1.12) Base year Scope 1 emissions covered by target (metric tons CO2e)

2308469

(7.53.1.16) Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

912517

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

912517.000

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

3220986.000

(7.53.1.54) End date of target

12/30/2030

(7.53.1.55) Targeted reduction from base year (%)

65

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

1127345.100

(7.53.1.57) Scope 1 emissions in reporting year covered by target (metric tons CO2e)

1605357

(7.53.1.61) Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

334490

(7.53.1.76) Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

334490.000

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

1939847.000

(7.53.1.78) Land-related emissions covered by target

Select from:

☑ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

61.19

(7.53.1.80) Target status in reporting year

Select from:

☑ Replaced

(7.53.1.81) Explain the reasons for the revision, replacement, or retirement of the target

This target has since been replaced by a new goal to reduce carbon emissions from the energy supplied to customers.

(7.53.1.82) Explain target coverage and identify any exclusions

Under our Energy 2030 framework for a more sustainable future, introduced in November 2015, MGE committed to reducing carbon emissions from the energy supplied to customers by at least 40% by 2030. This target has since been replaced by a new goal to reduce carbon emissions from the energy supplied to customers. The current goal is at least 80% by 2030 from 2005 levels. Our decarbonization goals for electricity supplied to our customers include emissions from our owned generation (Scope 1) and purchased generation (Scope 3).

Row 3

(7.53.1.1) Target reference number

Select from:

☑ Abs 2

(7.53.1.2) Is this a science-based target?

Select from:

☑ No, but we are reporting another target that is science-based

(7.53.1.5) Date target was set

01/01/2015

(7.53.1.6) Target coverage

Select from:

☑ Business activity

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

☑ Carbon dioxide (CO2)

(7.53.1.8) Scopes

Select all that apply

☑ Scope 1

☑ Scope 3

(7.53.1.10) Scope 3 categories

Select all that apply

☑ Scope 3, Category 3 – Fuel- and energy- related activities (not included in Scope 1 or 2)

(7.53.1.11) End date of base year

12/31/2005

(7.53.1.12) Base year Scope 1 emissions covered by target (metric tons CO2e)

2308469

(7.53.1.16) Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

912517

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

912517.000

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

3220986.000

(7.53.1.54) End date of target

12/30/2030

(7.53.1.55) Targeted reduction from base year (%)

40

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

1932591.600

(7.53.1.57) Scope 1 emissions in reporting year covered by target (metric tons CO2e)

1605357

(7.53.1.61) Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

334490

(7.53.1.76) Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

334490.000

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

1939847.000

(7.53.1.78) Land-related emissions covered by target

Select from:

☑ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

99.44

(7.53.1.80) Target status in reporting year

Select from:

☑ Replaced

(7.53.1.81) Explain the reasons for the revision, replacement, or retirement of the target

This target has since been replaced twice by a new goal to reduce carbon emissions from the energy supplied to customers.

(7.53.1.82) Explain target coverage and identify any exclusions

Under our Energy 2030 framework for a more sustainable future, introduced in November 2015, MGE committed to reducing carbon emissions from the energy supplied to customers by at least 40% by 2030 (from 2005 levels). This target has since been replaced twice by a new goal to reduce carbon emissions from the energy supplied to customers. The current goal is at least 80% by 2030 from 2005 levels. Our decarbonization goals for electricity supplied to our customers include emissions from our owned generation (Scope 1) and purchased generation (Scope 3).

Row 4

(7.53.1.1) Target reference number

Select from:

☑ Abs 4

(7.53.1.2) Is this a science-based target?

Select from:

☑ Yes, we consider this a science-based target, and the target is currently being reviewed by the Science Based Targets initiative

(7.53.1.4) Target ambition

Select from:

☑ 1.5°C aligned

(7.53.1.5) Date target was set

01/01/2019

(7.53.1.6) Target coverage

Select from:

☑ Business activity

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

☑ Carbon dioxide (CO2)

(7.53.1.8) Scopes

Select all that apply

☑ Scope 1

☑ Scope 3

(7.53.1.10) Scope 3 categories

Select all that apply

☑ Scope 3, Category 3 – Fuel- and energy- related activities (not included in Scope 1 or 2)

(7.53.1.11) End date of base year

12/31/2005

(7.53.1.12) Base year Scope 1 emissions covered by target (metric tons CO2e)

2308469

(7.53.1.16) Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

912517

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

912517.000

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

3220986.000

(7.53.1.54) End date of target

12/30/2050

(7.53.1.55) Targeted reduction from base year (%)

100

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

0.000

(7.53.1.57) Scope 1 emissions in reporting year covered by target (metric tons CO2e)

1605357

(7.53.1.61) Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

334490

(7.53.1.76) Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

334490.000

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

1939847.000

(7.53.1.78) Land-related emissions covered by target

Select from:

☑ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

39.77

(7.53.1.80) Target status in reporting year

Select from:

☑ Underway

(7.53.1.82) Explain target coverage and identify any exclusions

In May 2019, MGE announced a goal of net-zero carbon electricity by 2050, which aligns with the Intergovernmental Panel on Climate Change (IPCC) and its assessment of limiting global temperature increases to 1.5 degrees Celsius. In 2019, MGE began working with the University of Wisconsin-Madison's Nelson Institute for Environmental Studies to evaluate the company's goal of net-zero carbon electricity by 2050. The analysis was done within the context of the October 2018 special report on global warming of 1.5 degrees Celsius by the IPCC. Models were used to analyze MGE's goal, and suggested that by 2050, emissions from electricity generation in industrialized countries should be 87% to 99% lower than the 2005 baseline. MGE's plan for net-zero carbon emissions by 2050 is a 100% reduction from 2005 levels and reflects carbon reductions consistent with limiting global warming to 1.5 degrees Celsius. Our decarbonization goals for electricity supplied to our customers include emissions from our owned generation (Scope 1) and purchased generation (Scope 3). We believe this is a science-based target based on the University of Wisconsin-Madison Nelson Institute for Environmental Studies and the Department of Atmospheric and Oceanic Sciences study.
See https://www.mge.com/net-zero-carbon-electricity/uw-madison-analysis-of-mge-s-net-zero-carbon-goal

(7.53.1.84) Plan for achieving target, and progress made to the end of the reporting year

MGE and the other co-owners of the Columbia Energy Center, a two-unit coal-fired generation facility, intend to retire Unit 1 and Unit 2 by June 2026. MGE currently owns 19% of the facility. (Final timing and retirement dates are subject to change depending on operational, regulatory, and other factors.) By 2027, with the planned retirement of both units at Columbia, MGE will have eliminated approximately two-thirds of the company's current coal-fired generation capacity. MGE's remaining use of coal is expected to be further reduced as the Elm Road Units transition to natural gas by the end of 2032. MGE is a minority owner of the coal-fired Elm Road Generating Station. (Transition plans and costs will be subject to PSCW approval.) By the end of 2030, under these plans for enhanced fuel flexibility at Elm Road, MGE expects coal to be used only as a backup fuel at the Elm Road units. This transition will help MGE meet its 2030 carbon reduction goal. By the end of 2032, MGE expects that the Elm Road units will be fully transitioned away from coal, which will eliminate coal as an owned generation source for MGE. MGE's solar, wind, and battery storage projects are a major step toward deep decarbonization and greater use of clean energy sources in pursuit of MGE's net-zero carbon electricity goal. Additionally, MGE continues its work to help customers with energy efficiency and electrification, including the electrification of transportation.

Row 5

(7.53.1.1) Target reference number

Select from:

☑ Abs 6

(7.53.1.2) Is this a science-based target?

Select from:

☑ No, but we are reporting another target that is science-based

(7.53.1.5) Date target was set

01/01/2018

(7.53.1.6) Target coverage

Select from:

☑ Business activity

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

☑ Carbon dioxide (CO2)

(7.53.1.8) Scopes

Select all that apply

☑ Scope 1

☑ Scope 3

(7.53.1.10) Scope 3 categories

Select all that apply

☑ Scope 3, Category 3 – Fuel- and energy- related activities (not included in Scope 1 or 2)

(7.53.1.11) End date of base year

12/31/2005

(7.53.1.12) Base year Scope 1 emissions covered by target (metric tons CO2e)

2308469

(7.53.1.16) Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

912517

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

912517.000

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

3220986.000

(7.53.1.54) End date of target

12/30/2050

(7.53.1.55) Targeted reduction from base year (%)

80

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

644197.200

(7.53.1.57) Scope 1 emissions in reporting year covered by target (metric tons CO2e)

1605357

(7.53.1.61) Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

334490

(7.53.1.76) Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

334490.000

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

1939847.000

(7.53.1.78) Land-related emissions covered by target

Select from:

☑ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

49.72

(7.53.1.80) Target status in reporting year

Select from:

☑ Replaced

(7.53.1.82) Explain target coverage and identify any exclusions

In 2018, MGE committed to reducing carbon dioxide emissions by at least 80% by 2050 to be consistent with the U.S. Mid-Century Strategy (MCS) for Deep Decarbonization. That goal was replaced in 2019 with the target of net-zero carbon electricity by 2050.

Row 7

(7.53.1.1) Target reference number

Select from:

☑ Abs 5

(7.53.1.2) Is this a science-based target?

Select from:

☑ Yes, we consider this a science-based target, and the target is currently being reviewed by the Science Based Targets initiative

(7.53.1.4) Target ambition

Select from:

☑ 1.5°C aligned

(7.53.1.5) Date target was set

01/01/2022

(7.53.1.6) Target coverage

Select from:

☑ Business activity

(7.53.1.7) Greenhouse gases covered by target

Select all that apply

☑ Carbon dioxide (CO2)

(7.53.1.8) Scopes

Select all that apply

☑ Scope 1

☑ Scope 3

(7.53.1.10) Scope 3 categories

Select all that apply

☑ Scope 3, Category 3 – Fuel- and energy- related activities (not included in Scope 1 or 2)

(7.53.1.11) End date of base year

12/31/2005

(7.53.1.12) Base year Scope 1 emissions covered by target (metric tons CO2e)

2308469

(7.53.1.16) Base year Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions covered by target (metric tons CO2e)

912517

(7.53.1.31) Base year total Scope 3 emissions covered by target (metric tons CO2e)

912517.000

(7.53.1.32) Total base year emissions covered by target in all selected Scopes (metric tons CO2e)

3220986.000

(7.53.1.54) End date of target

12/30/2030

(7.53.1.55) Targeted reduction from base year (%)

80

(7.53.1.56) Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

644197.200

(7.53.1.57) Scope 1 emissions in reporting year covered by target (metric tons CO2e)

1605357

(7.53.1.61) Scope 3, Category 3: Fuel-and-energy-related activities (not included in Scopes 1 or 2) emissions in reporting year covered by target (metric tons CO2e)

334490

(7.53.1.76) Total Scope 3 emissions in reporting year covered by target (metric tons CO2e)

334490.000

(7.53.1.77) Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

1939847.000

(7.53.1.78) Land-related emissions covered by target

Select from:
☑ No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

(7.53.1.79) % of target achieved relative to base year

49.72

(7.53.1.80) Target status in reporting year

Select from:
☑ Underway

(7.53.1.82) Explain target coverage and identify any exclusions

In early 2022, MGE updated its previous 2030 goal to set a goal of 80% reduction in carbon emissions by 2030 from 2005 levels, in addition to the net-zero carbon electricity goal by 2050. Our decarbonization goals for electricity supplied to our customers include emissions from our owned generation (Scope 1) and purchased generation (Scope 3). We believe this is a science-based target based on the University of Wisconsin-Madison Nelson Institute for Environmental Studies and the Department of Atmospheric and Oceanic Sciences study described further in Section C3 of this CDP report. In this work, IPCC scenarios relevant to its operations and targets were evaluated. See https://www.mge.com/net-zero-carbon-electricity/uw-madison-analysis-of-mge-s-net-zero-carbon-goal

(7.53.1.83) Target objective

(7.53.1.84) Plan for achieving target, and progress made to the end of the reporting year

MGE and the other co-owners of the Columbia Energy Center, a two-unit coal-fired generation facility, intend to retire Unit 1 and Unit 2 by June 2026. MGE currently owns 19% of the facility. (Final timing and retirement dates are subject to change depending on operational, regulatory, and other factors.) By 2027, with the planned retirement of both units at Columbia, MGE will have eliminated approximately two-thirds of the company's current coal-fired generation capacity. MGE's remaining use of coal is expected to be further reduced as the Elm Road Units transition to natural gas by the end of 2032. MGE is a minority owner of the coal-fired Elm Road Generating Station. (Transition plans and costs will be subject to PSCW approval.) By the end of 2030, under these plans for enhanced fuel flexibility at Elm Road, MGE expects coal to be used only as a backup fuel at the Elm Road units. This transition will help MGE meet its 2030 carbon reduction goal. By the end of 2032, MGE expects that the Elm Road units will be fully transitioned away from coal, which will eliminate coal as an owned generation source for MGE. MGE's solar, wind, and battery storage projects are a major step toward deep decarbonization and greater use of clean energy sources in pursuit of MGE's net-zero carbon electricity goal. Additionally, MGE continues its work to help customers with energy efficiency and electrification, including the electrification of transportation.
[Add row]

(7.54) Did you have any other climate-related targets that were active in the reporting year?

Select all that apply

☑ Targets to increase or maintain low-carbon energy consumption or production

☑ Targets to reduce methane emissions

☑ Net-zero targets

☑ Other climate-related targets

(7.54.1) Provide details of your targets to increase or maintain low-carbon energy consumption or production.

Row 1

(7.54.1.1) Target reference number

Select from:

☑ Low 1

(7.54.1.2) Date target was set

01/01/2015

(7.54.1.3) Target coverage

Select from:

☑ Business activity

(7.54.1.4) Target type: energy carrier

Select from:

☑ Electricity

(7.54.1.5) Target type: activity

Select from:

☑ Production

(7.54.1.6) Target type: energy source

Select from:

☑ Renewable energy source(s) only

(7.54.1.7) End date of base year

12/30/2005

(7.54.1.8) Consumption or production of selected energy carrier in base year (MWh)

42078

(7.54.1.9) % share of low-carbon or renewable energy in base year

1.2

(7.54.1.10) End date of target

12/30/2025

(7.54.1.11) % share of low-carbon or renewable energy at end date of target

25

(7.54.1.12) % share of low-carbon or renewable energy in reporting year

20

(7.54.1.13) % of target achieved relative to base year

78.99

(7.54.1.14) Target status in reporting year

Select from:

☑ Underway

(7.54.1.16) Is this target part of an emissions target?

Yes, this target supports MGE's original Energy 2030 goal of achieving at least a 40% reduction in carbon from energy supplied to customers by 2030, which has since been replaced with a goal to reduce carbon by 80% by 2030, and the Energy 2050 goal of achieving net zero carbon from energy supplied to customers by 2050.

(7.54.1.17) Is this target part of an overarching initiative?

Select all that apply

☑ Other, please specify :MGE Energy 2050 Framework

(7.54.1.19) Explain target coverage and identify any exclusions

This target is an interim target aimed at supplying 25% of retail energy from renewable sources by 2025.

(7.54.1.21) Plan for achieving target, and progress made to the end of the reporting year

MGE continues to make new investments in generation, including more energy from renewable resources and natural gas. With the planned retirement in mid-2026 of the coal-fired Columbia Energy Center, of which MGE is a minority owner, MGE expects to eliminate approximately two-thirds of its ownership of coal-fired generation capacity. MGE expects to have zero ownership of coal-fired generation by the end of 2032. MGE continues to work closely with customers and through partnerships to encourage energy efficiency and conservation through education, information, technical assistance and other resources. MGE is on track to meet this 25% renewable energy target by 2025.

Row 3

(7.54.1.1) Target reference number

Select from:

☑ Low 2

(7.54.1.2) Date target was set

01/01/2015

(7.54.1.3) Target coverage

Select from:

☑ Business activity

(7.54.1.4) Target type: energy carrier

Select from:

☑ Electricity

(7.54.1.5) Target type: activity

Select from:

☑ Production

(7.54.1.6) Target type: energy source

Select from:

☑ Renewable energy source(s) only

(7.54.1.7) End date of base year

12/31/2005

(7.54.1.8) Consumption or production of selected energy carrier in base year (MWh)

42078.0

(7.54.1.9) % share of low-carbon or renewable energy in base year

1.2

(7.54.1.10) End date of target

12/30/2030

(7.54.1.11) % share of low-carbon or renewable energy at end date of target

30

(7.54.1.12) % share of low-carbon or renewable energy in reporting year

20

(7.54.1.13) % of target achieved relative to base year

65.28

(7.54.1.14) Target status in reporting year

Select from:

☑ Underway

(7.54.1.16) Is this target part of an emissions target?

Yes, this target supports MGE's original Energy 2030 goal of achieving at least a 40% reduction in carbon from energy supplied to customers by 2030, which has since been replaced with a goal to reduce carbon by 80% by 2030, and the Energy 2050 goal of achieving net zero carbon from energy supplied to customers by 2050.

(7.54.1.17) Is this target part of an overarching initiative?

Select all that apply

☑ Other, please specify **:**This target is part of MGE's Energy 2050 Framework.

(7.54.1.19) Explain target coverage and identify any exclusions

This target aims to supply 30% of retail energy from renewable sources by 2030.

(7.54.1.21) Plan for achieving target, and progress made to the end of the reporting year

MGE continues to make new investments in generation, including more energy from renewable resources and natural gas. With the planned retirement in mid-2026 of the coal-fired Columbia Energy Center, of which MGE is a minority owner, MGE expects to eliminate approximately two-thirds of its ownership of coal-fired generation capacity. MGE expects to have zero ownership of coal-fired generation by the end of 2032. MGE continues to work closely with customers and through partnerships to encourage energy efficiency and conservation through education, information, technical assistance and other resources. MGE is on track to meet this 25% renewable energy target by 2025.
[Add row]

(7.54.2) Provide details of any other climate-related targets, including methane reduction targets.

Row 1

(7.54.2.1) Target reference number

Select from:

☑ Oth 1

(7.54.2.2) Date target was set

01/01/2020

(7.54.2.3) Target coverage

Select from:

☑ Business activity

(7.54.2.4) Target type: absolute or intensity

Select from:

☑ Absolute

(7.54.2.5) Target type: category & Metric (target numerator if reporting an intensity target)

Low-carbon vehicles

☑ Percentage of low-carbon vehicles in company fleet

(7.54.2.9) End date of target

12/30/2030

(7.54.2.10) Figure or percentage at end of date of target

100

(7.54.2.11) Figure or percentage in reporting year

37

(7.54.2.13) Target status in reporting year

Select from:
☑ Underway

(7.54.2.15) Is this target part of an emissions target?

No

(7.54.2.16) Is this target part of an overarching initiative?

Select all that apply
☑ No, it's not part of an overarching initiative

(7.54.2.18) Please explain target coverage and identify any exclusions

The target is to convert 100% of the light-duty vehicles in the MGE fleet to electric vehicles or plug-in hybrid vehicles by 2030.

(7.54.2.20) Plan for achieving target, and progress made to the end of the reporting year

MGE plans to purchase only electric or plug-in hybrid light-duty vehicles for its fleet going forward. This is planned to be accomplished primarily through the replacement of vehicles at the end of their useful life.
[Add row]

(7.54.3) Provide details of your net-zero target(s).

Row 1

(7.54.3.1) Target reference number

Select from:
☑ NZ1

(7.54.3.2) Date target was set

01/01/2019

(7.54.3.3) Target Coverage

Select from:

☑ Business activity

(7.54.3.4) Targets linked to this net zero target

Select all that apply

☑ Abs1

☑ Abs2

☑ Abs3

☑ Abs4

☑ Abs5

☑ Abs6

(7.54.3.5) End date of target for achieving net zero

12/31/2050

(7.54.3.6) Is this a science-based target?

Select from:

☑ Yes, we consider this a science-based target, and the target is currently being reviewed by the Science Based Targets initiative

(7.54.3.8) Scopes

Select all that apply

☑ Scope 1

☑ Scope 3

(7.54.3.9) Greenhouse gases covered by target

Select all that apply

☑ Carbon dioxide (CO2)

(7.54.3.10) Explain target coverage and identify any exclusions

In 2019, MGE built on its Energy 2030 framework for a more sustainable future by announcing a goal of net-zero carbon electricity by 2050. We believe this is a science-based target based on a study by the University of Wisconsin-Madison Nelson Institute for Environmental Studies and the Department of Atmospheric and Oceanic Sciences. The study is described further in Section C3 of this CDP report. In this work, IPCC scenarios relevant to MGE's operations and targets were evaluated.

(7.54.3.12) Do you intend to neutralize any residual emissions with permanent carbon removals at the end of the target?

Select from:

☑ Yes

(7.54.3.13) Do you plan to mitigate emissions beyond your value chain?

Select from:

☑ No, we do not plan to mitigate emissions beyond our value chain

(7.54.3.14) Do you intend to purchase and cancel carbon credits for neutralization and/or beyond value chain mitigation?

Select all that apply

☑ No, we do not plan to purchase and cancel carbon credits for neutralization and/or beyond value chain mitigation

(7.54.3.15) Planned milestones and/or near-term investments for neutralization at the end of the target

Our net-zero ambitions include offsetting any residual emissions that remain from our operations consistent with evolving technology.

(7.54.3.17) Target status in reporting year

Select from:

☑ Underway

Row 2

(7.54.3.1) Target reference number

Select from:

☑ NZ2

(7.54.3.2) Date target was set

01/01/2023

(7.54.3.3) Target Coverage

Select from:

☑ Business activity

(7.54.3.4) Targets linked to this net zero target

Select all that apply

☑ Not applicable

(7.54.3.5) End date of target for achieving net zero

12/31/2035

(7.54.3.6) Is this a science-based target?

Select from:

☑ No, but we are reporting another target that is science-based

(7.54.3.8) Scopes

Select all that apply

☑ Scope 1

(7.54.3.9) Greenhouse gases covered by target

Select all that apply

☑ Methane (CH4)

(7.54.3.10) Explain target coverage and identify any exclusions

MGE's goal is to achieve net-zero methane emissions from our natural gas distribution system by 2035. If we can go further faster, we will. MGE's strategies for achieving net-zero methane emissions include: Enhanced Leak Detection and Repair: MGE will explore strategies, practices and/or commercially available technologies that help us to meet or exceed current federal and state regulatory requirements surrounding leak detection and repair methods. We continue to gather data to improve our inventory of emissions data throughout our distribution system and to inform reduction efforts and strategies. Implementation of Cost-Effective Technologies and Processes: Improved monitoring of our system and estimated emissions will inform priorities for reduction opportunities. Consistent with those priorities, MGE will implement cost-effective technology to improve the detection, measurement, mitigation and/or reduction of emissions from the operation and maintenance of our natural gas distribution system. Renewable Natural Gas (RNG) to Offset Residual Emissions: MGE will explore the use of RNG in our natural gas system to offset any remaining emissions that cannot be directly controlled by MGE. New technologies, such as carbon capture, green hydrogen (zero-carbon hydrogen) and potentially other alternative fuels, continue to emerge and to evolve. MGE supports the research and development of these new technologies and will explore their potential use as they become available.

(7.54.3.12) Do you intend to neutralize any residual emissions with permanent carbon removals at the end of the target?

Select from:

☑ Yes

(7.54.3.13) Do you plan to mitigate emissions beyond your value chain?

Select from:

☑ No, we do not plan to mitigate emissions beyond our value chain

(7.54.3.14) Do you intend to purchase and cancel carbon credits for neutralization and/or beyond value chain mitigation?

Select all that apply

☑ No, we do not plan to purchase and cancel carbon credits for neutralization and/or beyond value chain mitigation

(7.54.3.15) Planned milestones and/or near-term investments for neutralization at the end of the target

MGE has already replaced all piping made of cast iron, bare or unprotected steel, and other material considered to be leak-prone in our natural gas distribution system. In addition, our leak inspection and repair schedules exceed federal requirements. Other strategies for achieving net-zero methane emissions include: Enhanced leak detection and repair Implementation of cost-effective technologies and processes to improve the detection, measurement, mitigation and reduction of

emissions from the operation and maintenance of the natural gas system. Exploring the use of renewable natural gas (RNG) and other new technologies to offset residual emissions.

(7.54.3.17) Target status in reporting year

Select from:
☑ Underway
[Add row]

(7.55) Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Select from:
☑ Yes

(7.55.1) Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
To be implemented	*8*	*134400*
Implementation commenced	*2*	*55890*
Implemented	*1*	*7557*

[Fixed row]

(7.55.2) Provide details on the initiatives implemented in the reporting year in the table below.

Row 1

(7.55.2.1) Initiative category & Initiative type

Low-carbon energy consumption

☑ Solar PV

(7.55.2.2) Estimated annual CO2e savings (metric tonnes CO2e)

7557

(7.55.2.3) Scope(s) or Scope 3 category(ies) where emissions savings occur

Select all that apply

☑ Scope 1

(7.55.2.4) Voluntary/Mandatory

Select from:

☑ Voluntary

(7.55.2.8) Estimated lifetime of the initiative

Select from:

☑ 21-30 years

(7.55.2.9) Comment

MGE partnered with the City of Madison and the Madison Metropolitan School District to construct the 8-MW Hermsdorf Solar Fields array located north of Dane County's Rodefeld Landfill in southeast Madison. The array came online in 2022; it ran for the full calendar year for the first time in 2023.
[Add row]

(7.55.3) What methods do you use to drive investment in emissions reduction activities?

Row 1

(7.55.3.2) Comment

Our investments in renewable energy and other decarbonization strategies are driven by and consistent with our goals and framework for deep decarbonization. [Add row]

(7.58) Describe your organization’s efforts to reduce methane emissions from your activities.

MGE has completed an in-depth analysis and inventory of all its greenhouse gas emissions. Included in its study are methane emissions associated with the Company's distribution of natural gas. MGE has a goal to achieve net-zero methane emissions from its natural gas distribution system by 2035. Throughout MGE's natural gas distribution system, MGE already has replaced and upgraded all piping made of material considered to be leak-prone. Additionally, MGE's leak inspection schedule already exceeds federal requirements. To further address emissions associated with MGE's purchase and distribution of natural gas, MGE has committed to strategies for working with its suppliers, pipeline operators, customers, regulators and other industry stakeholders and to the exploration of new and emerging technologies, such as renewable natural gas, to serve its customers more sustainably. In late 2023, MGE obtained State regulatory approval to offer a Renewable Natural Gas option for customers interested in offsetting their use of natural gas through Renewable Thermal Certificates purchased by MGE and tracked and retired by a third party. MGE will be the first utility in the state to provide this option to customers looking to reduce their environmental impact.

(7.74) Do you classify any of your existing goods and/or services as low-carbon products?

Select from:

☑ Yes

(7.74.1) Provide details of your products and/or services that you classify as low-carbon products.

Row 1

(7.74.1.1) Level of aggregation

Select from:

☑ Product or service

(7.74.1.2) Taxonomy used to classify product(s) or service(s) as low-carbon

Select from:

☑ Other, please specify **:**Midwest Renewable Energy Tracking System

(7.74.1.3) Type of product(s) or service(s)

Power

☑ Other, please specify **:**Green Power Tomorrow

(7.74.1.4) Description of product(s) or service(s)

MGE's Green Power Tomorrow (GPT) is our green pricing program, which offers a convenient and effective way for customers to support local and regional renewable energy and offset their greenhouse gas emissions. Today, about 10,000 customers buy green power through this program. Our GPT program is served by our local and regional renewable energy resources.

(7.74.1.5) Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Select from:

☑ Yes

(7.74.1.6) Methodology used to calculate avoided emissions

Select from:

☑ Other, please specify **:**RECs accounting

(7.74.1.7) Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Select from:

☑ Use stage

(7.74.1.8) Functional unit used

The functional unit used to define the activity is kWh of energy used by customers enrolled in MGE's Green Power Tomorrow program.

(7.74.1.9) Reference product/service or baseline scenario used

The alternative to a KWh of energy used from renewable resources for MGE's Green Power Tomorrow program is energy from our grid that has a calculated carbon intensity.

(7.74.1.10) Life cycle stage(s) covered for the reference product/service or baseline scenario

Select from:

☑ Use stage

(7.74.1.11) Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

46105

(7.74.1.12) Explain your calculation of avoided emissions, including any assumptions

*The calculation is G KWh/yr * R lb/KWh * 0.0005 ton/lb * 0.9072 metric ton/ton AE metric ton/yr, where: G is kwh/yr of GPT participation R is carbon intensity of our energy supplied AE is the metric ton/year avoided by GPT*

Row 2

(7.74.1.1) Level of aggregation

Select from:

☑ Group of products or services

(7.74.1.2) Taxonomy used to classify product(s) or service(s) as low-carbon

Select from:

☑ Other, please specify **:**Midwest Renewable Energy Tracking System

(7.74.1.3) Type of product(s) or service(s)

Power

☑ Other, please specify **:**Shared Solar and Renewable Energy Rider

(7.74.1.4) Description of product(s) or service(s)

MGE's Shared Solar program offers customers locally generated solar energy at minimal upfront cost. Shared Solar gives residential and small business customers the option to power their household or business with solar energy for up to half of their annual energy use. It's an affordable option for customers who want to support local solar. Our Renewable Energy Rider (RER) gives MGE and larger business customers who seek customized renewable energy solutions the opportunity to partner to grow locally generated renewable energy. The program is designed to meet the needs and goals of companies that support or have signed on to the Corporate Renewable Energy Buyers' Principles, a collaboration facilitated by the World Resources Institute and the World Wildlife Fund. MGE has built more than 40 MW of solar capacity under RER agreements since earning regulatory approval in 2017 to begin offering this clean energy option.

(7.74.1.5) Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Select from:

☑ Yes

(7.74.1.6) Methodology used to calculate avoided emissions

Select from:

☑ Other, please specify **:**Energy Production

(7.74.1.7) Life cycle stage(s) covered for the low-carbon product(s) or services(s)

Select from:

☑ Use stage

(7.74.1.8) Functional unit used

The functional unit used to define the activity is kWh of energy generated by the Shared Solar or RER program.

(7.74.1.9) Reference product/service or baseline scenario used

The alternative to a kWh of energy used from Shared Solar or RER is energy from our grid that has a calculated carbon intensity.

(7.74.1.10) Life cycle stage(s) covered for the reference product/service or baseline scenario

Select from:

☑ Use stage

(7.74.1.11) Estimated avoided emissions (metric tons CO2e per functional unit) compared to reference product/service or baseline scenario

35024

(7.74.1.12) Explain your calculation of avoided emissions, including any assumptions

*The calculation is S KWh/yr * R lb/KWh * 0.0005 ton/lb * 0.9072 metric ton/ton AE metric ton/yr, where: S is kwh/yr of Shared Solar and RER production R is carbon intensity of our energy supplied AE is the metric ton/year avoided by Shared Solar and RER*

Row 3

(7.74.1.1) Level of aggregation

Select from:

☑ Group of products or services

(7.74.1.3) Type of product(s) or service(s)

Power

☑ Other, please specify **:**Electrification of transportation initiatives

(7.74.1.4) Description of product(s) or service(s)

MGE provides low- carbon products to advance the electrification of transportation. Charge@Home is MGE's EV charging program for residential customers. MGE owns, maintains and coordinates the installation of Level 2 charging stations at customers' homes. The program allows MGE to study charging habits and to explore remote management of charging sessions to better understand the potential impact of EVs on the grid, including how grid management can help to lower costs for all MGE customers by optimizing our use of generation resources. A companion project is Charge Ahead, which also gives MGE the ability to manage customers' home charging remotely using a vehicle's onboard communications system. By managing charging, MGE is able to shift EV charging to manage both long-term costs and peak demand on the grid. During the first phase of the Charge Ahead project, MGE was able to shift over 80% of customer charging to off-peak periods. MGE also helps to facilitate and to accelerate the growth of electric transportation through its public charging network, which is powered by renewable energy. One of MGE's latest additions to our public charging station network is a fast-charging hub in downtown Madison. With power levels up to 350 kilowatts, the hub has some of the most powerful EV chargers in the Midwest. Through a partnership with Tesla, the hub also has eight Superchargers.

(7.74.1.5) Have you estimated the avoided emissions of this low-carbon product(s) or service(s)

Select from:

☑ No

[Add row]

(7.79) Has your organization canceled any project-based carbon credits within the reporting year?

Select from:

☑ No

C9. Environmental performance - Water security

(9.1) Are there any exclusions from your disclosure of water-related data?

Select from:
☑ Yes

(9.1.1) Provide details on these exclusions.

Row 1

(9.1.1.1) Exclusion

Select from:
☑ Business activities

(9.1.1.2) Description of exclusion

Water withdrawal, discharge and consumption values include activities associated with electricity generation activities. Water used in offices and other facilities is not included as it is a non material, minor use of water.

(9.1.1.3) Reason for exclusion

Select from:
☑ Data is not available

(9.1.1.4) Primary reason why data is not available

Select from:
☑ Challenges associated with data collection and/or quality
[Add row]

(9.2) Across all your operations, what proportion of the following water aspects are regularly measured and monitored?

Water withdrawals – total volumes

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Continuously

(9.2.3) Method of measurement

Facility water withdrawals are either estimated using pump run time data or measured using flow meters.

(9.2.4) Please explain

Monitoring of water withdrawals required by regulations and/or permits.

Water withdrawals – volumes by source

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Continuously

(9.2.3) Method of measurement

Facility water withdrawals are either estimated using pump run time data or measured using flow meters.

(9.2.4) Please explain

Monitoring of water withdrawals required by regulations and/or permits.

Water withdrawals quality

(9.2.1) % of sites/facilities/operations

Select from:
☑ 100%

(9.2.2) Frequency of measurement

Select from:
☑ Continuously

(9.2.3) Method of measurement

Water quality parameters are either measured continuously through instrumentation, or collected through grab or composite samples according to regulatations and permit requirements.

(9.2.4) Please explain

Water withdrawal quality measurements are done as required by regulations and/or permits and to optimize operations.

Water discharges – total volumes

(9.2.1) % of sites/facilities/operations

Select from:
☑ 100%

(9.2.2) Frequency of measurement

Select from:
☑ Continuously

(9.2.3) Method of measurement

Facility water discharges are either estimated using pump run time data or measured using flow meters.

(9.2.4) Please explain

Monitoring of water discharges required by regulations and/or permits.

Water discharges – volumes by destination

(9.2.1) % of sites/facilities/operations

Select from:
☑ 100%

(9.2.2) Frequency of measurement

Select from:
☑ Continuously

(9.2.3) Method of measurement

Facility water discharges are either estimated using pump run time data or measured using flow meters.

(9.2.4) Please explain

Monitoring of water discharges required by regulations and/or permits.

Water discharges – volumes by treatment method

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Continuously

(9.2.3) Method of measurement

Facility water discharges are either estimated using pump run time data or measured using flow meters.

(9.2.4) Please explain

Monitoring of water discharges required by regulations and/or permits.

Water discharge quality – by standard effluent parameters

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Continuously

(9.2.3) Method of measurement

Water discharge quality parameters are either measured continuously through instrumentation, or collected through grab or composite samples according to regulatations and permit requirements.

(9.2.4) Please explain

Water withdrawal quality measurements are done as required by regulations and/or permits.

Water discharge quality – emissions to water (nitrates, phosphates, pesticides, and/or other priority substances)

(9.2.1) % of sites/facilities/operations

Select from:

☑ 26-50

(9.2.2) Frequency of measurement

Select from:

☑ Continuously

(9.2.3) Method of measurement

Water discharge quality parameters are either measured continuously through instrumentation, or collected through grab or composite samples according to regulatations and permit requirements.

(9.2.4) Please explain

Water withdrawal quality measurements are done as required by regulations and/or permits.

Water discharge quality – temperature

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Continuously

(9.2.3) Method of measurement

Temperature measurements of discharges are done using instrumentation and/or grab samples as required by regulations or permits.

(9.2.4) Please explain

Discharge temperature measurements are required by permits and/or regulations at each facility.

Water consumption – total volume

(9.2.1) % of sites/facilities/operations

Select from:
☑ 100%

(9.2.2) Frequency of measurement

Select from:
☑ Continuously

(9.2.3) Method of measurement

Facility water withdrawal and discharge volumes are either estimated using pump run time data or measured using flow meters.

(9.2.4) Please explain

Water consumption is calculated based on withdrawal and discharge volumes, but is not required by regulation and/or permits.

Water recycled/reused

(9.2.1) % of sites/facilities/operations

Select from:
☑ 26-50

(9.2.2) Frequency of measurement

Select from:

☑ Continuously

(9.2.3) Method of measurement

Water recycled/reused is specifically measured through flow meters at our fossil-fueled generating stations equipped with cooling towers.

(9.2.4) Please explain

Approximately 50% of our fossil-fueled generating facilities are equipped with cooling towers which reuse water through cooling tower cycling.

The provision of fully-functioning, safely managed WASH services to all workers

(9.2.1) % of sites/facilities/operations

Select from:

☑ 100%

(9.2.2) Frequency of measurement

Select from:

☑ Continuously

(9.2.3) Method of measurement

Water quality of WASH services for workers is measured according to local ordinances.

(9.2.4) Please explain

All facilities are equipped with fully-functioning WASH services for workers. Sources include groundwater wells and municipal water supply.
[Fixed row]

(9.2.2) What are the total volumes of water withdrawn, discharged, and consumed across all your operations, how do they compare to the previous reporting year, and how are they forecasted to change?

Total withdrawals

(9.2.2.1) Volume (megaliters/year)

93684

(9.2.2.2) Comparison with previous reporting year

Select from:

☑ This is our first year of measurement

(9.2.2.4) Five-year forecast

Select from:

☑ Much lower

(9.2.2.5) Primary reason for forecast

Select from:

☑ Facility closure

(9.2.2.6) Please explain

The five-year forecast for water withdrawals is projected to be much lower primarily due to the upcoming retirement of the coal-fueled Columbia Energy Center, of which MGE is a joint owner. In general, water withdrawals are tied to increases or decreases in power production. Dispatch of MGE's electric generation units is dependent on energy demand as determined by the Midcontinent Independent System Operator (MISO) energy markets.

Total discharges

(9.2.2.1) Volume (megaliters/year)

88141

(9.2.2.2) Comparison with previous reporting year

Select from:

☑ This is our first year of measurement

(9.2.2.4) Five-year forecast

Select from:

☑ About the same

(9.2.2.6) Please explain

In general, water discharges are tied to increases or decreases in power production. Dispatch of MGE's electric generation units is dependent on energy demand as determined by the Midcontinent Independent System Operator (MISO) energy markets.

Total consumption

(9.2.2.1) Volume (megaliters/year)

5543

(9.2.2.2) Comparison with previous reporting year

Select from:

☑ This is our first year of measurement

(9.2.2.4) Five-year forecast

Select from:

☑ Much lower

(9.2.2.5) Primary reason for forecast

Select from:

☑ Facility closure

(9.2.2.6) Please explain

The five-year forecast for water consumption is projected to be much lower primarily due to the upcoming retirement of the coal-fueled Columbia Energy Center, of which MGE is a joint owner. In general, water consumption is tied to increases or decreases in power production. Dispatch of MGE's electric generation units is dependent on energy demand as determined by the Midcontinent Independent System Operator (MISO) energy markets.
[Fixed row]

(9.2.4) Indicate whether water is withdrawn from areas with water stress, provide the volume, how it compares with the previous reporting year, and how it is forecasted to change.

(9.2.4.1) Withdrawals are from areas with water stress

Select from:
☑ Yes

(9.2.4.2) Volume withdrawn from areas with water stress (megaliters)

13416

(9.2.4.3) Comparison with previous reporting year

Select from:
☑ This is our first year of measurement

(9.2.4.5) Five-year forecast

Select from:
☑ About the same

(9.2.4.6) Primary reason for forecast

Select from:

☑ Increase/decrease in business activity

(9.2.4.7) % of total withdrawals that are withdrawn from areas with water stress

14.32

(9.2.4.8) Identification tool

Select all that apply

☑ WRI Aqueduct

(9.2.4.9) Please explain

MGE's owned generating facilities are located in areas defined as medium-high to high overall water risk by the Water Resources Institute (WRI) Aqueduct Water Risk Atlas (AWRA). Overall water risk is described by AWRA as measuring all water related risks such as quantity, quality, regulatory, and reputational. A watershed is considered a high-water stressed area when the ratio of total water demand to available renewable surface and groundwater supplies exceeds 40%. MGE is a minority joint owner in two coal-fueled generating facilities which are not located in high overall water risk areas. The majority of MGE's water withdrawals are attributed to coal-fueled generation, which are not located in overall high risk water areas. MGE operates under a Conditional Water Use Agreement associated with the West Campus Cogeneration Facility. Under this agreement, MGE is required to provide flow augmentation to the Yahara River during certain periods of low flow and operate an infiltration facility within the watershed in order to mitigate surface water withdrawals during periods of potential stress to the water table. In addition, our facilities either return a majority of cooling water back to the source water or operate cooling towers to minimize water withdrawals. MGE also works closely with regulatory agencies to obtain permits and manage water withdrawals to minimize environmental impacts.
[Fixed row]

(9.2.7) Provide total water withdrawal data by source.

Fresh surface water, including rainwater, water from wetlands, rivers, and lakes

(9.2.7.1) Relevance

Select from:

☑ Relevant

(9.2.7.2) Volume (megaliters/year)

92884

(9.2.7.3) Comparison with previous reporting year

Select from:
☑ This is our first year of measurement

Brackish surface water/Seawater

(9.2.7.1) Relevance

Select from:
☑ Not relevant

(9.2.7.5) Please explain

Our company does not withdraw from brackish surface water or seawater.

Groundwater – renewable

(9.2.7.1) Relevance

Select from:
☑ Not relevant

(9.2.7.5) Please explain

Our company does not withdraw from renewable groundwater.

Groundwater – non-renewable

(9.2.7.1) Relevance

Select from:
☑ Relevant

(9.2.7.2) Volume (megaliters/year)

592

(9.2.7.3) Comparison with previous reporting year

Select from:
☑ This is our first year of measurement

Produced/Entrained water

(9.2.7.1) Relevance

Select from:
☑ Not relevant

(9.2.7.5) Please explain

Our company does not withdraw from produced or entrained water.

Third party sources

(9.2.7.1) Relevance

Select from:
☑ Relevant

(9.2.7.2) Volume (megaliters/year)

208

(9.2.7.3) Comparison with previous reporting year

Select from:
☑ This is our first year of measurement

[Fixed row]

(9.2.8) Provide total water discharge data by destination.

Fresh surface water

(9.2.8.1) Relevance

Select from:
☑ Relevant

(9.2.8.2) Volume (megaliters/year)

87825

(9.2.8.3) Comparison with previous reporting year

Select from:
☑ This is our first year of measurement

Brackish surface water/seawater

(9.2.8.1) Relevance

Select from:
☑ Not relevant

(9.2.8.5) Please explain

Our company does not discharge to brackish surface water or seawater.

Groundwater

(9.2.8.1) Relevance

Select from:
☑ Relevant

(9.2.8.2) Volume (megaliters/year)

28

(9.2.8.3) Comparison with previous reporting year

Select from:
☑ This is our first year of measurement

(9.2.8.5) Please explain

MGE operates an infiltration facility as part of a Water Use Agreement.

Third-party destinations

(9.2.8.1) Relevance

Select from:
☑ Relevant

(9.2.8.2) Volume (megaliters/year)

288

(9.2.8.3) Comparison with previous reporting year

Select from:
☑ This is our first year of measurement

(9.2.8.5) Please explain

Some systems at our generating facilities discharge to the municipal treatment system. These systems operate within a relatively consistent range from year to year.

[Fixed row]

(9.2.9) Within your direct operations, indicate the highest level(s) to which you treat your discharge.

Tertiary treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:

☑ Relevant

(9.2.9.2) Volume (megaliters/year)

80175

(9.2.9.3) Comparison of treated volume with previous reporting year

Select from:

☑ This is our first year of measurement

(9.2.9.5) % of your sites/facilities/operations this volume applies to

Select from:

☑ 21-30

(9.2.9.6) Please explain

MGE is a joint owner in the West Riverside Energy Center, which uses granular media filtration. MGE is also a joint owner in the Elm Road Generating Station, which installed a bioreactor and ultrafiltration system in 2023.

Secondary treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:
☑ Not relevant

Primary treatment only

(9.2.9.1) Relevance of treatment level to discharge

Select from:
☑ Relevant

(9.2.9.2) Volume (megaliters/year)

7210

(9.2.9.3) Comparison of treated volume with previous reporting year

Select from:
☑ This is our first year of measurement

(9.2.9.5) % of your sites/facilities/operations this volume applies to

Select from:
☑ 21-30

(9.2.9.6) Please explain

Primary treatment consists primarily of screening of once-through cooling water at generating facilities. Fluctuations in discharge from one year to the next are tied to changes in power production.

Discharge to the natural environment without treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:
☑ Relevant

(9.2.9.2) Volume (megaliters/year)

468

(9.2.9.3) Comparison of treated volume with previous reporting year

Select from:

☑ This is our first year of measurement

(9.2.9.5) % of your sites/facilities/operations this volume applies to

Select from:

☑ 51-60

(9.2.9.6) Please explain

Discharges to the natural environment without treatment are associated primarily with MGE's water mitigation efforts related to the Conditional Water Loss Agreement associated with the West Campus Cogeneration Facility. MGE is required to provide flow augmentation to the Yahara River during certain periods of low flow and operate an infiltration facility within the watershed.

Discharge to a third party without treatment

(9.2.9.1) Relevance of treatment level to discharge

Select from:

☑ Relevant

(9.2.9.2) Volume (megaliters/year)

288

(9.2.9.3) Comparison of treated volume with previous reporting year

Select from:

☑ This is our first year of measurement

(9.2.9.5) % of your sites/facilities/operations this volume applies to

Select from:

☑ 41-50

(9.2.9.6) Please explain

Some systems at our generating facilities discharge to the municipal treatment system. These systems operate within a relatively consistent range from year to year.

Other

(9.2.9.1) Relevance of treatment level to discharge

Select from:

☑ Not relevant

[Fixed row]

(9.2.10) Provide details of your organization's emissions of nitrates, phosphates, pesticides, and other priority substances to water in the reporting year.

(9.2.10.2) Categories of substances included

Select all that apply

☑ Phosphates

(9.2.10.4) Please explain

Phosphorus discharges from MGE joint-owned facilities are monitored by the facility operators as required by the facility Wisconsin Pollutant Discharge Elimination System (WPDES) permits for each facility. Generation facilities operated by MGE are not required to sample and report phosphates or nitrates. MGE has already worked to eliminate the use of phosphate-containing additives in its systems.

[Fixed row]

(9.3) In your direct operations and upstream value chain, what is the number of facilities where you have identified substantive water-related dependencies, impacts, risks, and opportunities?

	Identification of facilities in the value chain stage
Direct operations	*Select from:* ☑ No, we have not assessed this value chain stage for facilities with water-related dependencies, impacts, risks, and opportunities, and are not planning to do so in the next 2 years
Upstream value chain	*Select from:* ☑ No, we have not assessed this value chain stage for facilities with water-related dependencies, impacts, risks, and opportunities, and are not planning to do so in the next 2 years

[Fixed row]

(9.5) Provide a figure for your organization's total water withdrawal efficiency.

	Revenue (currency)	Total water withdrawal efficiency	Anticipated forward trend
	690431000	*7369.79*	*This value is not expected to vary significantly over the next several years.*

[Fixed row]

(9.7) Do you calculate water intensity for your electricity generation activities?

Select from:
☑ Yes

(9.7.1) Provide the following intensity information associated with your electricity generation activities.

Row 1

(9.7.1.1) Water intensity value (m3/denominator)

0

(9.7.1.2) Numerator: water aspect

Select from:
☑ Freshwater consumption

(9.7.1.3) Denominator

Select from:
☑ MWh

(9.7.1.4) Comparison with previous reporting year

Select from:
☑ This is our first year of measurement

(9.7.1.5) Please explain

Water intensity is based on equity-share of water consumed from electricity generation divided by total owned generation, which is calculated as 0.002 m3/MWh. This is the first year we have calculated a water intensity value.
[Add row]

(9.13) Do any of your products contain substances classified as hazardous by a regulatory authority?

	Products contain hazardous substances
	Select from: ☑ No

[Fixed row]

(9.14) Do you classify any of your current products and/or services as low water impact?

(9.14.1) Products and/or services classified as low water impact

Select from:

☑ Yes

(9.14.2) Definition used to classify low water impact

Renewable energy continues to play a critical role in MGE's strategy for reducing carbon emissions. In 2023, MGE added nearly 60 megawatts (MW) of wind and solar to its energy supply mix to serve all MGE electric customers. Additionally, more than 130 MW of solar generation to serve all MGE electric customers is expected to be added to MGE's energy supply mix by the end of 2026. The majority of our water consumption is attributed to coal-fueled electricity generation. MGE continues to transition away from coal-fired generation and has no sole ownership of coal-fired assets. By the end of 2030, MGE expects coal to be used only as a backup fuel. By the end of 2032, MGE expects to have eliminated coal as an energy source, which will reduce our water consumption significantly.
[Fixed row]

(9.15) Do you have any water-related targets?

Select from:

☑ No, but we plan to within the next two years

(9.15.3) Why do you not have water-related target(s) and what are your plans to develop these in the future?

(9.15.3.1) Primary reason

Select from:

☑ We are planning to introduce a target within the next two years

[Fixed row]

C11. Environmental performance - Biodiversity

(11.2) What actions has your organization taken in the reporting year to progress your biodiversity-related commitments?

(11.2.1) Actions taken in the reporting period to progress your biodiversity-related commitments

Select from:

☑ Yes, we are taking actions to progress our biodiversity-related commitments

(11.2.2) Type of action taken to progress biodiversity- related commitments

Select all that apply

☑ Land/water protection

☑ Land/water management

☑ Species management

☑ Education & awareness

☑ Other, please specify **:**A goal under our Environmental Management System is to determine current and to increase pollinator-friendly habitat on our properties. We incorporate pollinator plants at solar sites and review impacts from construction projects, including to endang

[Fixed row]

(11.3) Does your organization use biodiversity indicators to monitor performance across its activities?

	Does your organization use indicators to monitor biodiversity performance?
	Select from:

	Does your organization use indicators to monitor biodiversity performance?
	☑ No

[Fixed row]

(11.4) Does your organization have activities located in or near to areas important for biodiversity in the reporting year?

Legally protected areas

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

☑ Yes (partial assessment)

(11.4.2) Comment

Catalogued and uncatalogued burial sites, endangered resources, protected habitats and streams, and other sensitivities exist within our electric and gas utility territories. MGE has a robust review process in place to manage impacts associated with our gas and electric construction projects to avoid or minimize these impacts.

UNESCO World Heritage sites

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

☑ Yes

(11.4.2) Comment

The Herbert and Katherine Jacobs First House property is a UNESCO World Heritage SIte located within MGE's electric and gas utility service area. MGE has a detailed process to review, prevent and minimize impacts to sensitive natural and cultural resources for any construction process supporting our operations.

UNESCO Man and the Biosphere Reserves

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:
☑ No

Ramsar sites

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:
☑ Not assessed

Key Biodiversity Areas

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:
☑ Not assessed

Other areas important for biodiversity

(11.4.1) Indicate whether any of your organization's activities are located in or near to this type of area important for biodiversity

Select from:

☑ Yes (partial assessment)

(11.4.2) Comment

Our electric and gas service territories have many natural and cultural resources important to biodiversity. In addition to a robust review process to avoid or minimize impacts associated with our construction and maintenance of utilities, we often look for ways to enhance biodiversity and habitat consistent with our projects. Examples include pollinator habitat established with our solar PV project sites.
[Fixed row]

C13. Further information & sign off

(13.1) Indicate if any environmental information included in your CDP response (not already reported in 7.9.1/2/3, 8.9.1/2/3/4, and 9.3.2) is verified and/or assured by a third party?

	Other environmental information included in your CDP response is verified and/or assured by a third party	Primary reason why other environmental information included in your CDP response is not verified and/or assured by a third party
	Select from: ☑ No, but we plan to obtain third-party verification/assurance of other environmental information in our CDP response within the next two years	*Select from:* ☑ Not an immediate strategic priority

[Fixed row]

(13.3) Provide the following information for the person that has signed off (approved) your CDP response.

(13.3.1) Job title

Director, Safety, Sustainability and Environmental Affairs

(13.3.2) Corresponding job category

Select from:
☑ Other, please specify
[Fixed row]

(13.4) Please indicate your consent for CDP to share contact details with the Pacific Institute to support content for its Water Action Hub website.

Select from:

☑ Yes, CDP may share our Disclosure Submission Lead contact details with the Pacific Institute