

PRELIMINARY ATC Futures for the 2026 Study Year

Date: 5-4-10

Drivers	Load Growth within ATC	Energy Growth within ATC	Load Growth outside ATC ²	Energy Growth outside ATC ²	Total Small Capacity Coal Retirements (or conversions to natural gas) Within ATC ³	Generator Additions Within ATC ⁴	Total Percent Energy from Renewables for ATC & Inside/Outside Percent ⁷	Natural Gas Price Forecast	Coal Price Forecast for New Units ⁹	Environmental Regulations ¹¹	Renewable Portfolio Standards (RPSs) and Wind Power Zones (GW: Existing Model / Expansion / Total)	Transmission Overlay Outside ATC ¹⁶	Generation Portfolio Outside ATC ¹⁷
Bounds	2026	2026	2026	2026	2026	2026	2026	2026	2026	2026	2026	2026	2026
Lower	0.2%	0.1%	0.3%	0.3%	907 MW	Planned Wind ⁵ Plus Wind Specified Below	10/7.4/2.6%	-40%	-10%	\$0/ton for CO ₂ , 0% higher mercury costs	Current State RPSs for MN, IA & WI (for 2020) and Allocation to Wind Zones located only in the UMTDI States in Proportion to Associated Cap. Factors ¹²	Overlay Light-CAPX, Corridor & RIGO Projects	See Below
Mid ¹	1.40%	1.10%	0.75%	1.00%	453 MW	Planned Wind ⁵ Plus Wind Specified Below	20/10.5/9.5% ⁸	NYMEX for as many years as available followed by EIA esc. rate (2026 Avg: \$9.09/MMBtu)	MISO Central & West \$2.34 & \$1.96 per MMBTU, respectively, for 2026 ¹⁰	\$25/ton for CO ₂ , 25% higher mercury costs	WI 20% ¹³ RPS & MN, IA & IL RPSs (for 2020) and Allocation to RGOS I Wind Zones in Proportion to Associated Capacity Factors ¹⁴	RGOS Phase I UMTDI Local / UMTDI Intra-Regional Transfer Overlay	See Below
Upper	2.5%	2.2%	1.6%	2.19%	Announced (289 MW)	Fossil ⁶ & Planned Wind ⁵ Plus Wind Specified Below	25/13/12% ⁸	50%	20%	\$44/ton for CO ₂ , 25% higher mercury costs	WI 25% ¹³ & All MISO States with an RPS (for 2020) and Allocation to RGOS I Wind Zones in Proportion to Associated Capacity Factors ¹⁵	RGOS Phase I plus latest RGOS additions	See Below

2026 Futures Descriptions													
Robust Economy	2.50%	2.2%	1.6%	2.19%	Upper	+1,593 MW ATC Wind ⁶	20/9.8/10.2% ⁸	Mid-Upper +25%	Upper	Low	Mid (~4.7 GW / ~14.9 GW / ~19.6 GW) ²²	UMTDI Local-765kV Overlay + latest RGOS	Reference
Green Economy	1.4% ¹⁸	2.2% ¹⁸	0.75%	2.19%	Lower	+2,333 MW ATC Wind & DRG ^{6,20}	25/12.5/12.5% ⁸	Upper	Mid	Upper	Upper (~4.7 GW / ~26.9 GW / ~31.6 GW) ²²	Intra-Regional Transfer-345kV Overlay	Gas-only
Slow Growth	0.2%	0.1%	0.3%	0.3%	Mid	+44 MW ATC Wind	10/7.4/2.6%	Lower	Mid	Low	Low (~4.7 GW / ~4.2 GW / ~8.9 GW) ²²	Overlay Light	Reference
Regional Wind	1.70%	1.4%	1.6%	1.32%	Lower	+1,159 MW ATC Wind ⁶	20/9.7/10.3% ⁸	Mid	Lower	Mid	Upper-20% WI (~4.7 GW / ~22.6 GW / ~27.3 GW) ²²	Intra-Regional Transfer-765kV Overlay + latest RGOS	Reference
Limited Investment	1.0%	0.7%	0.75%	1.0%	Mid	+172 MW ATC Wind	10/7.2/2.8%	Mid-Upper +25%	Upper	Mid	Low (~4.7 GW / ~5.2 GW / ~9.9 GW) ²²	Overlay Light	Gas-only
Carbon Constrained ²⁴	0.2% ¹⁹	0.1% ¹⁹	0.3%	0.3%	Lower	+1,077 MW ATC Wind & DRG ²⁰	25/12.4/12.6% ⁸	Mid	Lower	Mid ²¹	Mid-25% WI ²³ (~4.7 GW / ~9.4 GW / ~14.1 GW) ²²	UMTDI Local-345kV Overlay	Gas-only

Notes:

1) For ATC, the Mid load and energy growth rates are based on 2009 customer-supplied forecasts.
 2) Outside ATC is defined as all of MISO, the Non-MISO Midwest Reliability Organization (MRO) Areas and Commonwealth Edison excluding the ATC utilities (e.g. Alliant, MG&E, We Energies, WPPI, and WPS). Load and energy growth rates are those from the Organization of MISO States (OMS) Cost Allocation and Regional Planning (CARP) planning study.

3) Some small coal-fired retirements have been publicly announced and/or have recently occurred and are included as basecase assumptions. Conversion of Blount 6 & 7 from coal to natural gas at the end of 2011 is included in the "Announced" coal-fired retirements total. Other announced retirements include Blount units 3, 4 & 5 (totaling ~90 MW) by the end of 2013. Presque Isle Units 3 & 4 (116 MWs) and Pulliam units 3 & 4 (~55 MW) were already retired.

4) The uprate of Point Beach is a basecase assumption.
 5) 439 MW of wind are expected to be in-service by the end of 2009 within ATC. An additional 856.5 MW of "planned" wind have signed Interconnection Agreements (IAs) that are not in suspension as of March 31, 2010. These total 1295.5 MW.
 6) Generator Additions Within ATC from MISO's Expansion Plans:

Unit Type	Unit Size	Location	MISO Expansion In-Service Date	Robust Economy	Green Economy	Slow Growth	Regional Wind	Limited Investment	Carbon Constrained
CT Gas	600 MW	Rocky Run	1/1/2013	X	X	---	X	---	---
CT Gas	600 MW	Rockdale	1/1/2013	X	X	---	X	---	---
CT Gas	600 MW	Rockdale	1/1/2016	X	---	---	---	---	---
Combined Cycle	600 MW	North Appleton	1/1/2020	X	---	---	X	---	---
Combined Cycle	600 MW	Werner West	1/1/2021	X	---	---	---	---	---
Combined Cycle	600 MW	Racine	1/1/2024	X	---	---	---	---	---
Combined Cycle	600 MW	Cedarsauk	1/1/2024	X	---	---	---	---	---
ST Coal	600 MW	Columbia	1/1/2016	X	---	---	X	---	---
ST Coal	600 MW	Gardner Park	1/1/2023	X	---	---	---	---	---

7) 2,080 MW of new Manitoba Hydro generation is a basecase assumption in MISO's PROMOD models, however, it does not qualify under the current Renewable Portfolio Standard (RPS) for WI, but would under the WI Governor's Global Warming Task Force (GWTF) recommended RPS.

8) The new Manitoba Hydro (MH) generation for WPS and WPPI, which totals 600 MW, is estimated to provide approximately 3,504 GWh of energy to meet the WI GWTF RPS recommended renewable percentages.

9) Most existing coal-fired generators have unit specific coal price forecasts from Ventyx (formerly NewEnergy Associates).

10) Use "MISO Central" coal costs for MISO expansion plan generators added within ATC.

11) The generation expansion plan comes from MISO so the CO₂ tax only affects generation dispatch in ATC's PROMOD model. CAIR's and CAMR's status is uncertain, but other air pollution regulations have a similar impact to these regulations.

12) The RPS requirements for Illinois, Michigan, Ohio-Pennsylvania & Missouri are assumed to be met internally. UMTDI is the Upper Midwest Transmission Development Initiative and includes wind zones in SD, ND, MN, IA & WI to primarily serve the RPS requirements for MN, IA & WI.

13) Based on the Wisconsin Governor's Task Force on Global Warming (GWTF) recommendation of 20% by 2020 and 25% by 2025.

14) RGOS is MISO's Regional Generator Outlet Study. The RGOS I wind zones include the UMTDI wind zones plus zones in Illinois. The RPS requirements for the RGOS II states (including MI, OH-PA & MO) are assumed to be met internally.

15) Sufficient wind power is added so that all of the Load Serving Entities (LSEs) within MISO that have state RPS requirements can meet them from wind power coming from the RGOS I wind zones. However, the wind power to meet Michigan's RPS must be met by in-state resources and therefore does not come from the RGOS I wind zones. States without RPS requirements as of 9/15/09 with MISO LSEs include Indiana and Kentucky. North and South Dakota have renewable goals, rather than mandates, and are therefore not included in the requirements.

16) CAPX Group 1 and the Minnesota "Corridor" and "RIGO" projects are assumed in place by 2026. The transmission overlays are designed to move wind generation to load centers. However, transmission was not added to deliver the expansion plan generation (mainly fossil) added by MISO to maintain adequate reserve margins in 2026. "UMTDI Local" is equivalent to the previously named "15 GW" case. "Intra-Regional Transfer" is equivalent to the previously named "25 GW" case. The inclusion of the latest RGOS additions to the overlay will primarily be focused on new additions to the east of the RGOS Phase I (UMTDI) footprint, including Indiana, Michigan, and Ohio.

17) Reference and Gas-Only refer to separate MISO generation expansion plans and futures. ATC utilizes the identified generator additions within these expansion plans in order to develop its futures based on changes in peak demand forecasts. For cases where peak demand growth is low, generating units are typically removed from the expansion plan and may not be used at all for significantly low growth rates. For cases where peak demand growth is high, generating units are added to accommodate this growth. Reference refers to expansion consisting of CT Gas, Combined Cycle, and ST Coal generators. Gas-Only refers to expansion consisting of CT Gas and Combined Cycle generators.

18) A lower peak load growth rate relative to energy growth rate was selected for the Green Economy future due to increased Demand Side Management and Smart Grid, not because of low economic growth.

19) The low peak demand and energy growth rates are assumed to result from increased demand-side management (DSM) and energy efficiency.

20) Distributed Renewable Generation (DRG) provides 0.5% of the energy subject to the WI RPS in 2020 and includes Solar PV, Biogass, and Wind. Depending on the assumed energy growth rate, this percentage results in up to 67 MW of DRG. PSC Staff assumed 80 MW of DRG in its ratepayer impact scenario in its 5/20/09 Advanced Renewable Tariff (ART) Memo.

21) The Mid carbon-tax value is used to serve as a proxy for having to purchase a moderate level of allowances. It is unlikely that 100% of allowances will be allocated, some will have to be purchased. The significant amounts of renewables and DSM available and in use in this future would probably help moderate allowance costs and therefore it makes sense to use the "Mid" value.

22) The "existing" renewables are from MISO's PowerBase database. The MISO-wide total for existing and planned wind within this model is 4.7 GW. MISO total installed wind capacity as of 10-1-2009 was approximately 7.47 GW. For MN, IA and WI the existing renewables total 4.4 GW, of which 0.9 GW is hydro and biomass. For MN, IA, WI and IL the existing renewables total 4.8 GW, of which 0.9 GW is hydro and biomass. The incremental GWs of wind needed to meet the specified "Lower", "Mid" and "Upper" RPS requirements are provided for information purposes and are approximate. The wind power to meet Michigan's RPS must be met by in-state resources and therefore does not come from the RGOS I wind zones and is not included in the total.

23) Consistent with a lower amount of additional transmission.

24) Assumptions of the Carbon Constrained Future are under review to determine potential for alignment with the latest assumptions utilized by MISO in the OMS CARP PROMOD modeling.