

# PRELIMINARY ATC Futures for the 2026 Study Year

Date: 4-13-10

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

### 2026 Futures Descriptions

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

### Notes:

- For ATC, the Mid load and energy growth rates are based on 2009 customer-supplied forecasts.
- 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. For reference, MISO's RGOS Phase I Reference PROMOD model has MISO on peak load and energy growth rates of 1.21% and 1.07%, respectively, and Outside ATC rates of 1.31% and 1.15%, respectively.
- 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.
- The uprate of Point Beach is a basecase assumption.
- 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.
- Generator Additions Within ATC from MISO's Expansion Plans:

Type	Future	PowerBase In-Service Date	Location
CT Gas Expansion	TBD	TBD	TBD
CC Expansion	TBD	TBD	TBD
ST Coal Expansion	TBD	TBD	TBD
- 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.
- 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.
- Most existing coal-fired generators have unit specific coal price forecasts from Ventyx (formerly NewEnergy Associates).
- Use "MISO Central" coal costs for MISO expansion plan generators added within ATC.
- The generation expansion plan comes from MISO so the CO<sub>2</sub> 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.
- 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.
- Based on the Wisconsin Governor's Task Force on Global Warming (GWTF) recommendation of 20% by 2020 and 25% by 2025.
- 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.
- 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.
- 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.
- Reference and Gas-Only refer to separate MISO generation expansion plans and futures.
- 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.
- The low peak demand and energy growth rates are assumed to result from increased demand-side management (DSM) and energy efficiency.
- Distributed Renewable Generation (DRG) provides 0.5% of the energy subject to the WI RPS in 2020 and includes Solar PV, Biogas, 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.
- 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.
- The "existing" renewables are from MISO's PowerBase database. 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.
- Consistent with a lower amount of additional transmission.
- 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.