

# Sustainability Snapshot

Safe, reliable, affordable and sustainable energy powers our communities. By growing our use of clean energy, advancing energy efficiency and electrifying transportation, we can meet our goal of reducing carbon at least 80% by 2030 (from 2005 levels) and achieving net-zero carbon electricity by 2050.

“  
By 2030, we expect every MGE electric customer will have 80% fewer carbon emissions from their electricity use simply by being an MGE customer.  
”

## Energy 2030

Energy 2030 is our framework for a more sustainable future. It guides our work with our customers in shaping our shared energy future. One of the foundational objectives in our Energy 2030 framework is ensuring all our customers enjoy the economic and environmental benefits of our ongoing clean energy transition.

## Net-zero carbon electricity

MGE was one of the first utilities in the nation to commit to carbon reduction goals consistent with climate science. We've said since introducing our clean energy and carbon reduction goals—if we can go further faster through partnerships with our customers and the evolution of new technologies, we will.

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. Consistent with climate science, we have committed to reducing carbon emissions at least 80% by 2030, based on 2005 levels, as we work toward net-zero carbon electricity.

As of year-end 2022, MGE has reduced its carbon emissions by more than 39% since 2005. For emissions data reporting, see MGE's Edison Electric Institute (EEI) and American Gas Association (AGA) environmental, social and governance (ESG)/sustainability-related quantitative template in our [ESG Data Center](#), which also includes other ESG-related disclosures.

## Third-party analysis of our net-zero carbon goal

In 2020, the University of Wisconsin-Madison's Nelson Institute for Environmental Studies published its analysis of MGE's goal of net-zero carbon electricity by 2050. The study was done within the context of the October 2018 special report by the IPCC on global warming of 1.5 degrees Celsius. The models 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. Read the [UW-Madison report](#)

*This report includes forward-looking statements and estimates of future performance that may differ from actual results because of uncertainties and risks encountered in day-to-day business.*

## Our sustainability commitments



**80% reduced** carbon emissions by 2030  
**Net-Zero** carbon electricity by 2050



**Net-Zero** methane emissions from our natural gas distribution system by 2035



**2/3** coal-fired capacity eliminated by 2027  
Coal as a backup fuel by end of **2030**  
**Zero** ownership of coal by end of 2032



**> \$1 billion** in clean energy investment estimated through 2028\*



**100%** all-electric or plug-in hybrid light-duty MGE fleet vehicles by 2030

\*Since 2015

## Our decarbonization strategies

### Growing our use of renewable energy

With approximately a billion dollars in investment in clean energy expected from 2015 through 2028, renewable energy will play a significant role in helping to achieve our goals of at least an 80% reduction in carbon by 2030 from 2005 levels and net-zero carbon electricity by 2050. Since fall 2015, when our Energy 2030 framework was announced and through year-end 2022, MGE has announced clean energy projects that we expect will increase our owned renewable capacity by more than nine times upon completion. We look forward to additional cost-effective, clean energy investments beyond what is currently planned. See the [Environmental](#) section of our Corporate Responsibility and Sustainability Report for more information.

### Engaging around energy efficiency and conservation

Energy efficiency is a key strategy for reducing carbon emissions. MGE is committed to providing customers with the programs, products and services, as well as tools and resources, to make wise energy choices that help reduce their individual carbon footprints.

We strive to “meet customers where they are” to engage them in energy efficiency. Through the use of new technologies, hands-on workshops, energy education, conservation kits, and innovative customer programs and pilot options, MGE is helping to empower customers to take control of their energy use to better manage long-term costs and to achieve deep decarbonization.

Read more about how we are working together to advance shared sustainability goals in the [Environmental](#) section of our Corporate Responsibility and Sustainability Report.

### Advancing electrification

The electrification of transportation and other end uses is another key strategy for reducing carbon emissions. We are working with customers, municipalities and other community partners to grow the use of electric vehicles (EVs), electrify fleets and facilitate EV charging options and managed charging programs with customers.

We continue to add cleaner vehicles to our fleet, where possible, and are targeting a goal of 100% all-electric or plug-in hybrid light-duty vehicles by 2030.

## Growing our use of clean energy

2017



Shared Solar — 0.5 MW

2018



Forward Energy Center Wind Farm — 17.6 MW

2019



Saratoga Wind Farm — 66 MW

2020



Morey Field Solar — 6 MW  
Two Creeks Solar — 50 MW  
Dane County Airport Solar — 10 MW

2021



Badger Hollow I Solar Farm — 50 MW  
O'Brien Solar Fields — 22 MW

2022



Hermsdorf Solar Fields — 8 MW

2023



Red Barn Wind Farm — 9.16 MW  
Tyto Solar — 6 MW (*under construction*)

Badger Hollow II Solar Farm — 50 MW  
(*under construction, expected online late 2023/early 2024*)

Darien Solar Energy Center —  
25 MW solar (*under construction*)

Paris Solar-Battery Park — 20 MW solar and  
11 MW battery\* (*under construction*)

2024



2026



Koshkonong Solar Energy Center —  
30 MW solar (*under construction*)

*\*Battery storage timing to be determined.*

## Net-zero methane emissions

### Targeting emissions from our natural gas distribution system

MGE set a goal to achieve net-zero methane emissions from our natural gas distribution system by 2035. Our strategies for achieving net-zero methane emissions include enhanced leak detection and repair, implementation of cost-effective technologies and processes, and the introduction of renewable natural gas to offset residual emissions.

MGE already has replaced in our natural gas distribution system all piping made of cast iron, bare or unprotected steel, and other material considered to be leak-prone. In addition, the company's leak inspection and repair schedules exceed federal requirements.

More than half of MGE's total greenhouse gas emissions come from sources already included in the company's goal of net-zero carbon electricity—our fossil-fueled electric generation facilities (Scope 1 emissions) and purchased power for resale (Scope 3 emissions).

Visit [mgeenergy.com](https://mgeenergy.com) for more information about our framework to achieve net-zero methane emissions from our natural gas distribution system.

### Commitment to safety



Our safety vision statement — “We power safety. Work safe. Home safe.” — is highly visible throughout our organization. Our Safety Steering Team, made up evenly of exempt and non-exempt employees, guides our journey to safety excellence. The team meets regularly to examine safety topics and to identify and prioritize continuous improvement opportunities.

The Safety Steering Team oversees the creation of our Continuous Improvement Safety Teams (CI Safety Teams). These employee-led teams include both field and office employees. Through the Safety Steering Team and the CI Safety Teams, employees have direct involvement in our journey to safety excellence.

As part of our ongoing commitment to safety, in 2022, the company approved our Occupational Health and Safety Policy. Read more about our efforts to advance our commitment to safety in the [Social](#) section of our Corporate Responsibility and Sustainability Report. Performance metrics are available in our EEI-AGA quantitative template in our online [ESG Data Center](#) at [mge.com](https://mge.com).

### Board oversight

Strong oversight by our Board of Directors, our board's engagement with management and our participation in third-party benchmarking and evaluation programs help us to assess our performance and promote continuous improvement. We take a proactive approach to ESG matters, corporate responsibility and company-wide sustainability, risk assessment and mitigation, and long-term strategy.

Board oversight includes assessment of current and/or future environmental regulations and review of environmental risk and mitigation. It also includes review of the company's environmental and sustainability performance and of this report every year. See the [Governance](#) section of our Corporate Responsibility and Sustainability Report for information about our corporate practices.

### Transparency and disclosures

To advance further transparency and disclosure in company operations and governance, MGE participates in the EEI-AGA voluntary and industry-specific ESG and sustainability-related reporting templates and submits data to the global environmental impact disclosure platform CDP (Carbon Disclosure Project). Visit our online [ESG Data Center](#) at [mge.com](https://mge.com) for these and other disclosures, including our Task Force on Climate-Related Financial Disclosures report.