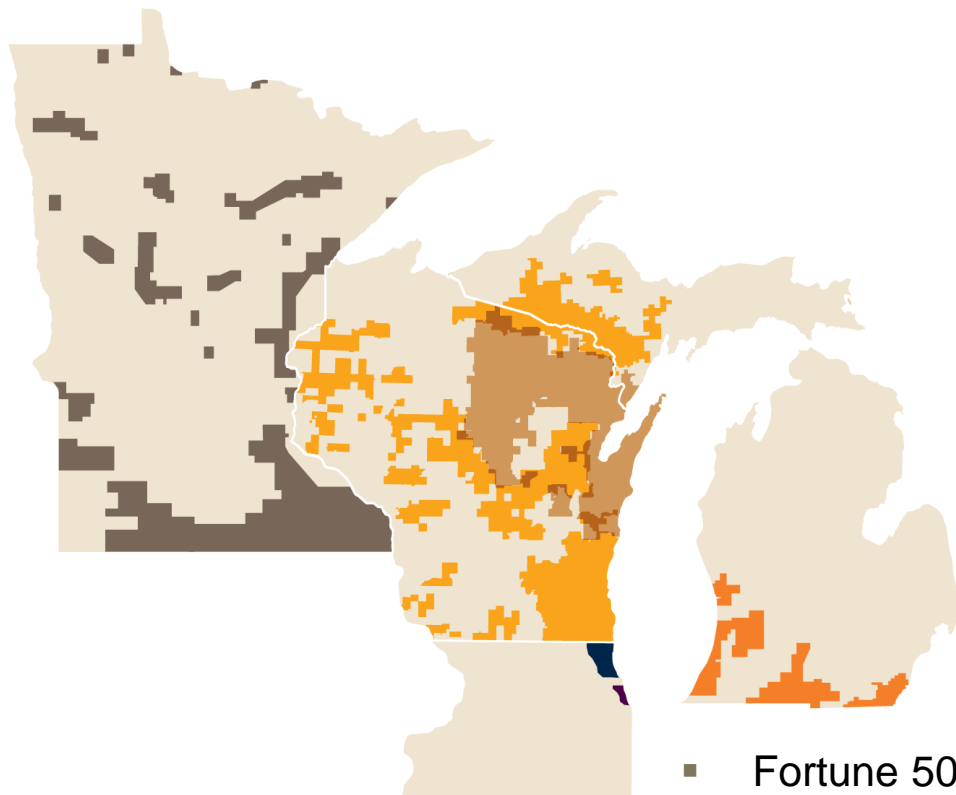




Paul J. Spicer, PE
Vice President - Gas and Renewable Generation

WEC Energy Group

Serving the region's energy needs



-  We Energies
-  Michigan Gas Utilities Corporation
-  Minnesota Energy Resources Corporation
-  North Shore Gas Company
-  The Peoples Gas Light and Coke Company
-  Wisconsin Public Service Corporation

- Fortune 500 company
- Eighth largest natural gas distribution company
- One of the 15 largest investor-owned utility systems
- Approximately 8,500 employees

Wisconsin Energy Policy

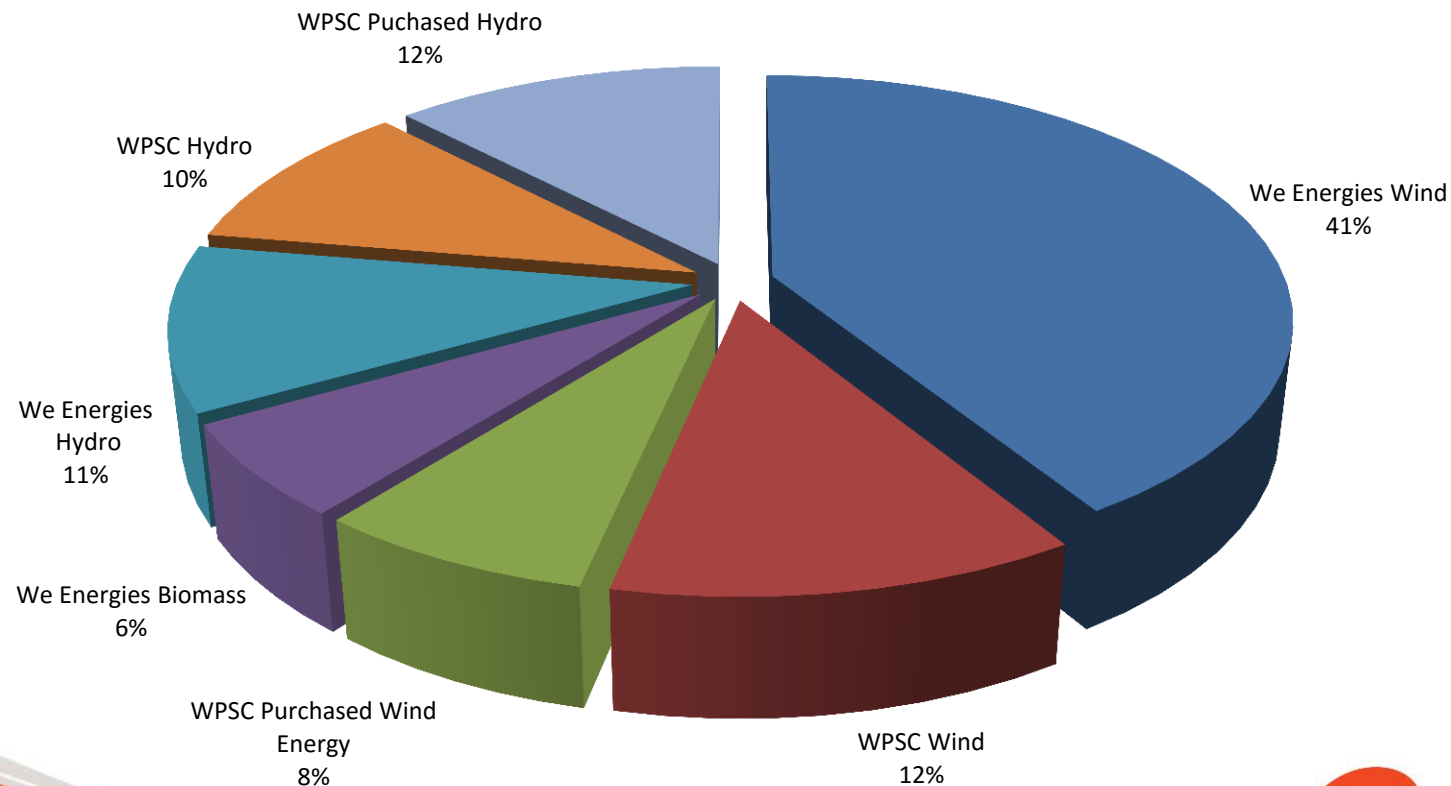


- Energy Priorities: Act 414 (1993)
 - Planning priority for energy efficiency and renewable generation
- Wisconsin Focus on Energy
 - 1.2% of utility revenues dedicated to energy efficiency
- Renewable Portfolio Standard
 - Act 9 (1999)
 - Act 141 (2005)
 - 10% by 2015

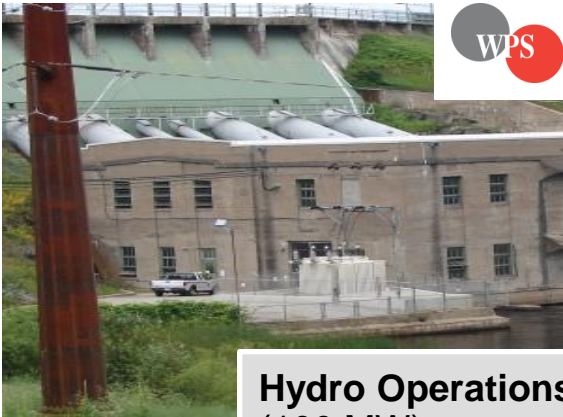
Renewable Portfolio Standard

- Both WPSC and We Energies successfully comply with the rule with diverse sources.

Major WEC Renewable Sources



Major WEC Zero Carbon Assets



Hydro Operations
(100 MW)



Hydro Operations
(86 MW)



Crane Creek
(99 MW nameplate)



**Blue Sky Green Field, Montfort,
Glacier Hills (337 MW nameplate)**



**Rothschild Biomass
Cogeneration
Facility (50 MW)**



Major Zero Carbon Energy Purchases



Point Beach Nuclear (~1,000 MW)



Manitoba Hydro (100 MW)



Forward Wind (~60 MW)

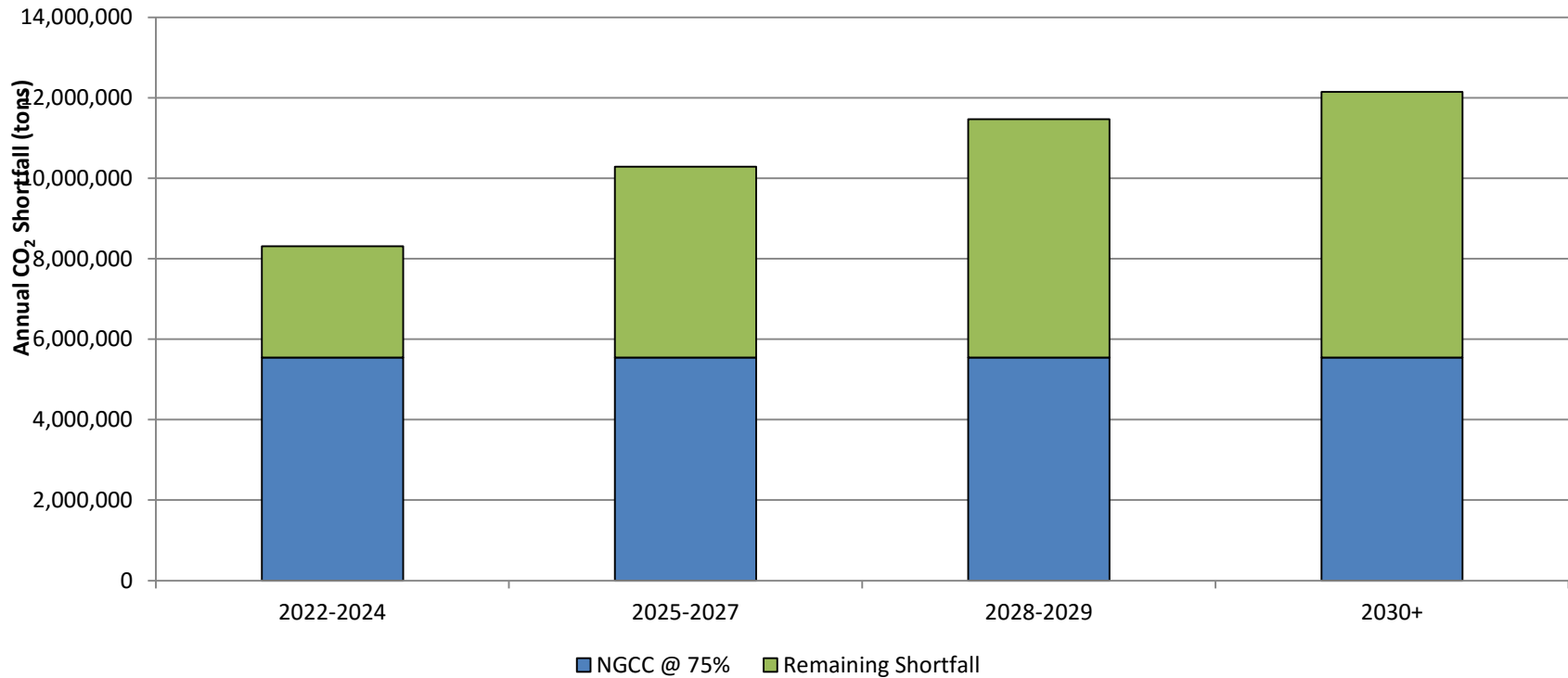
EPA's Clean Power Plan

Potential Compliance Options

- Approximately 42% Reduction from 2012 Levels
- Building-block related
 - Improve power plant efficiency
 - Increase natural gas combined-cycle capacity factors
 - Build new wind or solar in Wisconsin or other states
 - Build new or uprate hydro, including Canadian hydro
- Other options
 - Switch from coal to natural gas (e.g., Valley) or co-fire natural gas with coal
 - Reduce use of or retire coal power plants
 - Buy credits/allowances
 - Build new natural gas combined-cycle
 - Invest in new demand-side energy efficiency
 - Improve energy delivery system efficiency
 - Build new or uprate existing nuclear

Estimate of Compliance Shortfall

WEC Energy Group - Wisconsin Clean Power Plan Compliance Position



Modern, efficient combined cycle natural gas plants

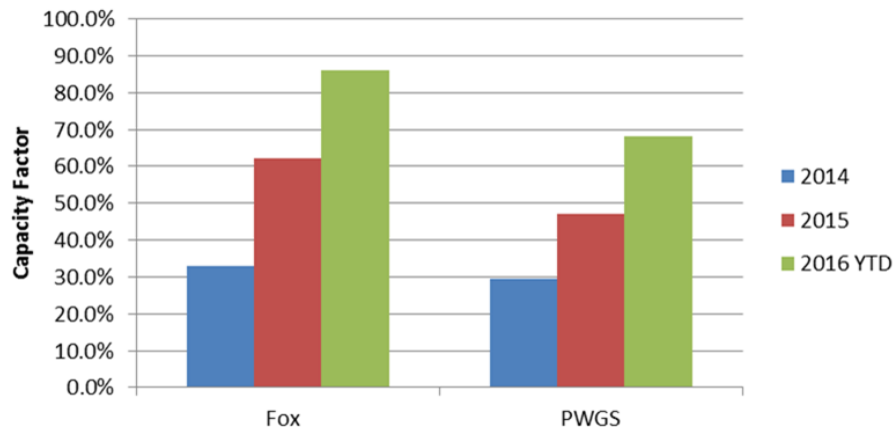
Fox Energy Center
(550 MW)



Port Washington
(1,150 MW)



WEC Combined Cycle Capacity Factor Trend



Plants that ceased coal operations and instead use natural gas



Weston 2
(80 MW)



Valley Power Plant
(280 MW)

Conclusion

- WEC has a robust portfolio of conventional and renewable power generation resources.
- Our employees that operate and maintain these assets are committed to....
 - Safety
 - Integrity
 - Diversity
 - Inclusion
 - Customer focus
 - Sense of urgency
 - Financial discipline
 - Personal responsibility for results