

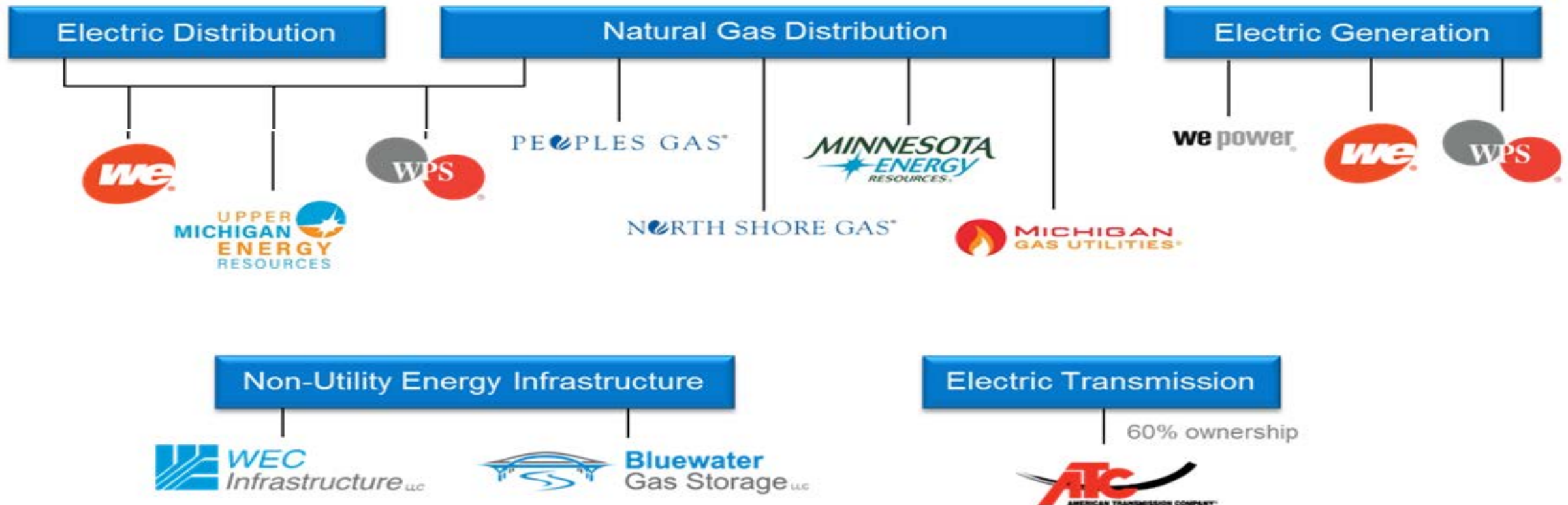


Grid Modernization

2nd Global DSO Event - Session 2

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Director EDAM
January 27, 2022

WEC Energy Group



America's most reliable utilities

- We Energies named the most reliable utility in the Nation for 2004, 2013 & 2017
- Wisconsin Public Service was recognized in 2019 for the Outstanding Reliability Performance for a Midsize Utility and in 2021 as the Most Improved Utility in the Nation



Industry Importance & Trends

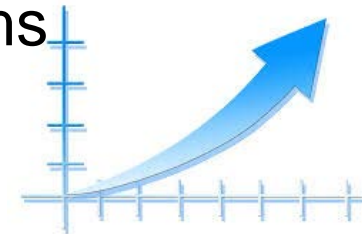
■ Importance

- Increasing material and labor costs
- Energy efficiency decreasing load
- Targeted local load growth due to electrification
- High emphasis on customer satisfaction



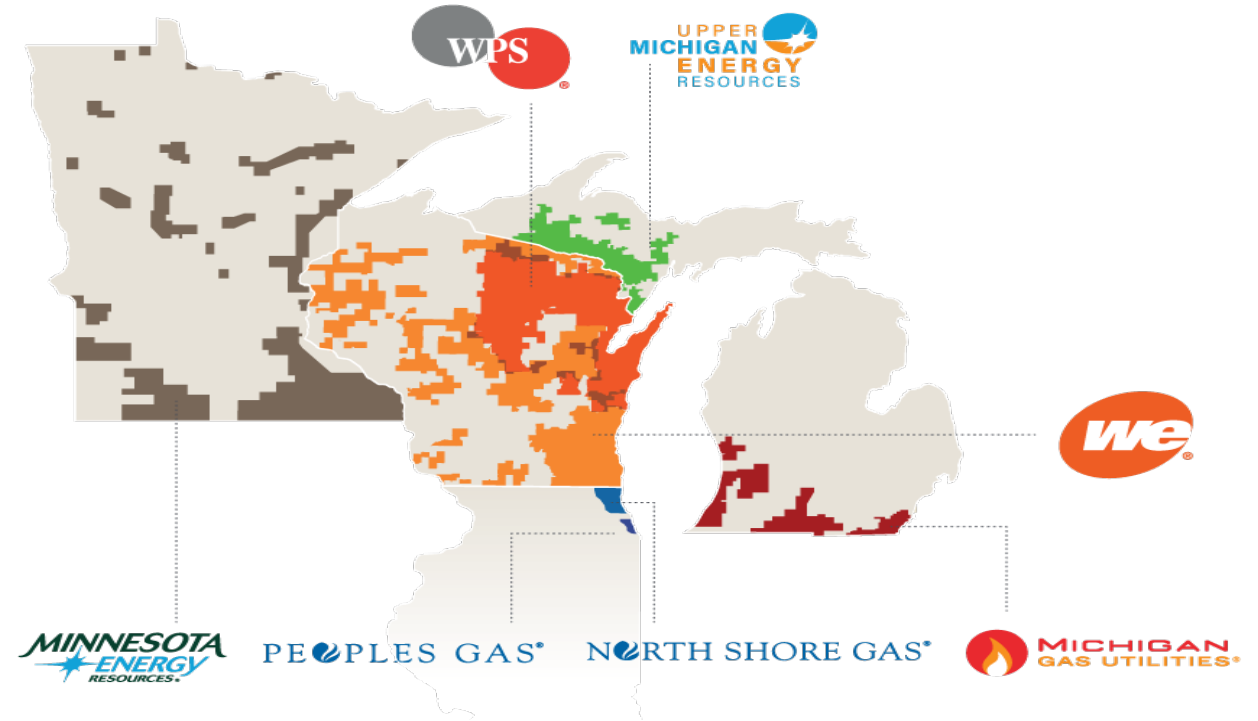
■ Trends

- Aging equipment driving (O&M) spend and decreasing performance
- Increasing customer expectations leading to less leniency / tolerance
- Customer and commission receptiveness to targeted reliability and modernization programs

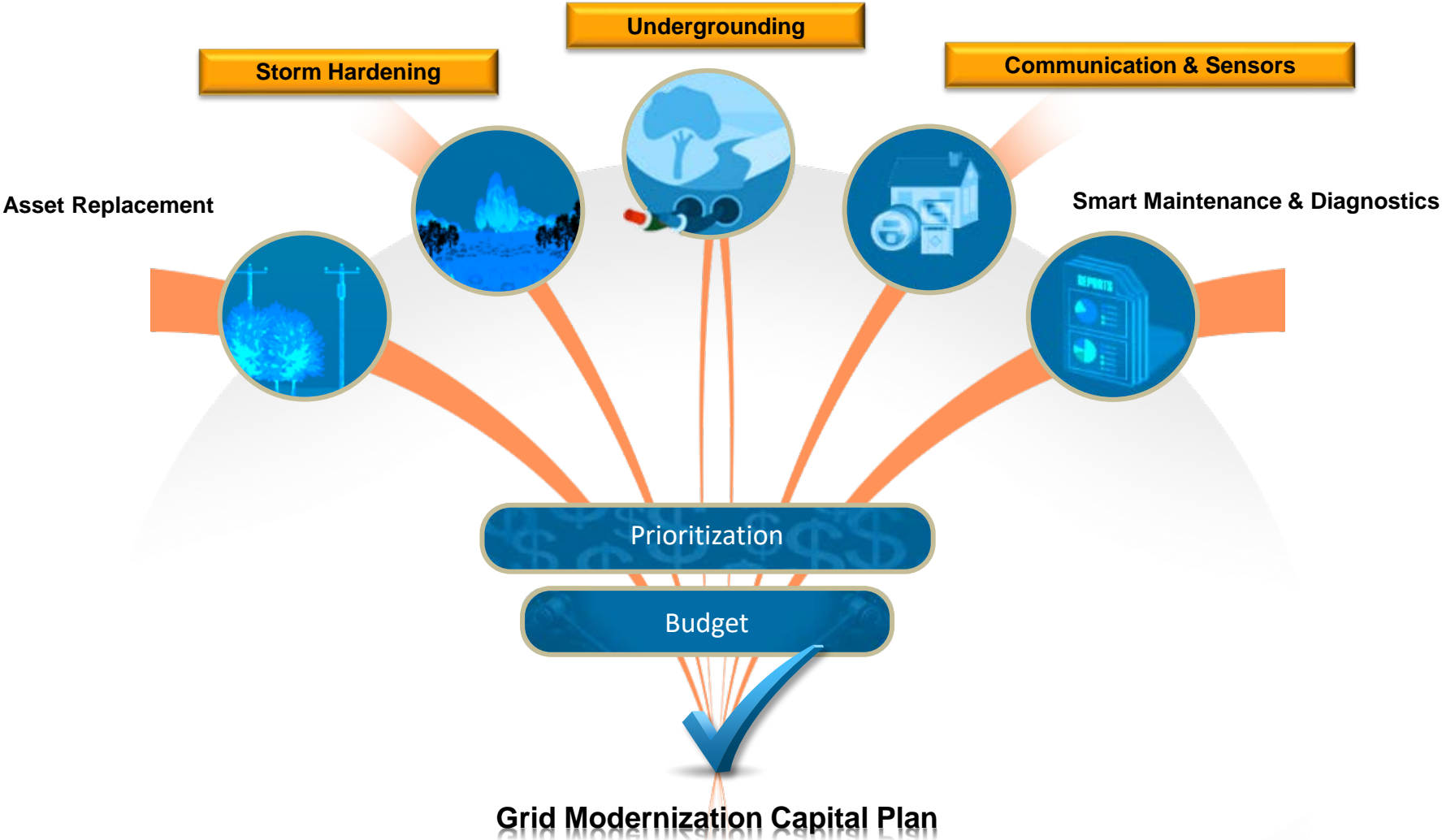


Grid Modernization Strategy

- World Class Reliability and Exceptional Customer Care
- Optimize Renewal Programs
- Maintain a Healthy Asset Base
- Implement new technologies to support an affordable, reliable and clean energy future



Grid Modernization Strategy



System Modernization and Reliability Project

Summary

- Replace 2,000 miles of overhead primary distribution with underground, with a focus on the areas and feeders with the longest outage duration (SAIDI)
- Install distribution automation on 400 miles
- Improved reliability
 - 75% reduction in outage minutes in the areas targeted
 - 20-25% reduction in overall System Average Interruption Duration Index (SAIDI)
- Reduced O&M expenses
 - Outage restoration costs
 - Reduced tree trimming expense
- Timeframe 2014 – 2021
- \$425 Million
- 47% of the customers willing to pay rate increase to make improvements

***“Improved performance
at a reasonable cost”***



