

What Midwestern Electric Utilities Are Saying About Clean Energy

Isak Kvam, Communications/Policy Associate • Mar. 18, 2019

The energy industry has experienced a lot of change, particularly because the cost of wind and solar energy has plummeted faster than [experts ever expected](#). Many electric utilities have taken advantage of this cheap, home-grown renewable energy and the benefits it brings to their customers, their bottom line, our economy, and our environment.

You don't have to take it from us -- read on to learn how - and why - electric utilities are investing in low-cost wind and solar energy throughout the Midwest!

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INDIANA

NIPSCO

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Northern Indiana Public Service Company (NIPSCO) [recently announced](#) it will speed up the retirement of its coal power plants to switch to cheaper renewable energy, saving more than \$4 billion for its ratepayers over a few decades. This news comes amidst a recent report that found Indiana will need to add 10 gigawatts of new energy by 2035 - enough to power 6.5 million homes. Now, the utility will move from 65 percent coal to coal-free in the next ten years, reducing their carbon emissions by more than 90 percent.

NIPSCO's five remaining coal-fired units (1800 MW) will transition to renewable energy in the next 10 years - primarily solar and wind energy paired with battery storage.

"This creates a vision for the future that is better for our customers, and it's consistent with our goal to transition to the best cost, cleanest electric supply mix available while maintaining reliability, diversity, and flexibility for technology and market changes," [said](#) NIPSCO president Violet Sistovaris.

IOWA

MIDAMERICAN ENERGY

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MidAmerican Energy is the largest electric utility in Iowa and also serves customers in Illinois, South Dakota, and Nebraska. It [plans](#) to provide net 100% renewable energy for its customers energy needs by 2020, and it recently surpassed the [50% mark](#). It's important to note that while MidAmerican Energy will power its customers' needs with electricity from 100% renewables, it is still operating natural gas and coal plants and selling this excess power in the power market.

MidAmerican is another great example of a large utility investing in local clean energy - and bringing clean energy benefits to its customers. MidAmerican Energy [has stated](#) that its wind projects, Wind XI and Wind XII, will be accomplished without asking for an increase in their customers' rates. Their [wind projects](#) are the largest economic development project in Iowa's history.

"Wind energy is friendly to our environment, helps keep rates low for our customers, and benefits Iowa's economy in many ways," [said](#) Adam Wright, MidAmerican Energy President and CEO.

"... we have this low-cost energy resource that we can leverage and keep low and stable, so everyday Iowans will be impacted by their rates low and stable," [said](#) Wright.

"There's not another utility in the country -- gas, water, cable, electric -- that's held rates steady for 12, 13 years," said MidAmerican CEO Bill Fehrman. MidAmerican's rates have increased only once since 1998 and are the ninth-lowest nationally. "A lot of that is because of the wind investment. The beauty of wind is there's no fuel costs. We will be able to virtually serve 89 percent of our customers' needs with an energy resource that requires no fuel."

Even Iowa [Governor Kim Reynolds has applauded MidAmerican's investments](#) in local, low-cost windpower in the state, saying:

"Iowans are used to leading the way. We believe to our core that it is our responsibility to use the resources we are given in the best way possible. It's the sustainable approach that has led Iowa to achieve the highest percentage of power generation coming from wind energy, more than any other state. And, it doesn't hurt that we have a company like **MidAmerican Energy that has taken the long view and is forward-looking in its goal to provide sustainable and**

affordable energy to its customers."

MICHIGAN

CONSUMERS ENERGY

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Consumers Energy is Michigan's [largest energy provider](#) and has a [goal to reduce](#) carbon emissions by 80 percent by 2040. It [plans](#) for more than 40 percent of the energy it produces to come from wind and solar energy by 2040, and it will reduce its carbon emissions by replacing coal-fired units with natural gas.

Consumers Energy [currently powers](#) 11% of its energy needs from renewable energy. It plans to add 5,000 MW of solar energy in the 2020s, along with more wind energy, battery storage, demand response, and energy efficiency.

Consumers Energy CEO Patti Poppe [states](#) that "our price to install and deliver wind power is down 75 percent from where we originally thought it would be. We think it's important to include renewable sources as part of our total portfolio."

"In the past people believed that we had to choose between affordable and clean energy; we don't subscribe to that sucker's choice," [said](#) Poppe this past February. "Our commitment is to achieve our goal and keep our prices affordable."

DTE ENERGY

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DTE Energy is the largest investor of wind and solar energy in Michigan. It [plans](#) to power 25% of their energy needs with renewables by 2030 and [reduce](#) carbon emissions by 80% by 2050. It [will build](#) 1,000 MW of new wind and solar projects in Michigan by 2022. By 2050, DTE [expects to have](#) 40% of its power from natural gas, 30% from wind, 20% from nuclear, and 10% from solar.

DTE Energy CEO Gerard Anderson [stated](#) that their investments in wind and solar "... [are] another significant step toward our carbon emission reduction goals, and those goals can be met in a way that continues to deliver reliable and affordable power for our customers."

DTE Energy has invested over \$2 billion in wind energy in the past 10 years, [noting](#) that "[wind energy has] created hundreds of jobs for residents and a local tax revenue for communities while delivering reliable, affordable and clean energy for our 2.2 million Michigan customers."

The Michigan PSC [has noted](#) that DTE's investments in renewable energy, storage, natural gas plants, and waste reduction have allowed them to meet their energy needs in a **"reliable, affordable manner that protects the environment,"** said Sally Talberg, chairman of the Michigan Public Service Commission. Reliable, affordable energy that is generated in-state is a win-win for all of DTE Energy's customers.

MINNESOTA

GREAT RIVER ENERGY

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Great River Energy (GRE) is the second-largest electricity provider in Minnesota and powers many of the rural electric co-ops in Minnesota and Wisconsin. In May, 2018, GRE [announced its plan](#) to source 50% of its power from renewables by 2030.

GRE already [owns](#) 468 MW of wind energy and 4 MW of solar energy, and it aims to add an additional 600 MW of renewable energy by 2030.

"Renewable energy, particularly wind, is Great River Energy's lowest-cost option for new generation resources," stated Great River Energy in a [press release](#) last month. *"The goal does not change [our] mandate to provide affordable and reliable energy ... [and] average wholesale rates will remain flat in 2019 with projected increases below the rate of inflation for the next decade."*

Not only is renewable energy a least-cost source of electricity, the company has also integrated it without affecting reliability.

"Wind is becoming the new baseload," [stated](#) Great River Energy CEO David Saggau in 2017.

MINNESOTA POWER

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Minnesota Power currently gets about 30% of its power from renewable energy resources, which is currently made up of 620 MW of wind and 10 MW of solar. In its latest integrated resource plan approved in 2016, Minnesota Power announced [plans](#) to have 44% of its energy come from renewable resources by 2025. As part of this plan, it will retire more than 700 MW of coal plants to replace it with cost-effective wind and solar, but it also will invest in natural gas from Superior, Wisconsin as well. 250 MW of wind power will be added by 2020. Its next resource plan is due in October 2019.

"Our customers will benefit from low-cost energy, our environment will benefit from lower carbon emissions, and Minnesota will benefit from growth in the state's renewable energy industry and its associated tax revenue," [said](#) Brad Oachs, senior vice president and president of regulated operations for Allete, Minnesota Power's parent company, after receiving approval to purchase electricity from the Nobles 2 wind farm in southwestern Minnesota.

XCEL ENERGY

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Xcel Energy [is](#) investing heavily in affordable wind energy to power their customers' needs. Xcel is headquartered in Minnesota and serves more than 3.3 million electric customers in Minnesota, Michigan, Wisconsin, North Dakota, South Dakota, Colorado, Texas, and New Mexico. [Xcel](#) has made waves for its plan to be 100% carbon free by 2050 and 80% carbon free by 2030. It will meet these goals by adding a

lot of wind, solar, and battery storage, as well as relying on its existing nuclear plants and using technologies that haven't been created yet. Xcel Energy [plans](#) to own more than 10,000 MW of wind energy by the end of 2021. Its next resource plan is due in 2019.

"These projects deliver on our vision to keep energy costs low while also achieving 85% carbon free energy by 2030 for the Upper Midwest," [said](#) Chris Clark, president of Xcel Energy Minnesota, North Dakota, and South Dakota. He also [notes](#) that wind is at a price that is "competitive with new natural gas generation."

"Xcel Energy regards wind as a hedge against potentially volatile gas prices," Xcel Energy CEO Ben Fowke [said](#). "And even with today's low natural gas prices, we are able to procure or build wind that is equal to or below what we could buy a 10- to 20-year strip of natural gas for."

"What's even more amazing is the prices. We're looking at [prices] in the low teens to low 20s [in dollars/MWh] - not starting prices, but levelized across the 25-year life of the projects," [said](#) Fowke. "[Wind] beats gas, even at today's prices. I like to say we backed up the truck because the fuel of tomorrow was on sale today."

Xcel Energy is a perfect example of electric utilities that are using wind and solar power to deliver cheaper energy to their customers. These clean energy projects are built in the Upper Midwest, which means their customers benefit from the local benefits of hosting a clean energy project: new tax revenue, landowner lease payments, and new jobs. In Minnesota alone, Xcel plans to purchase 1,800 MW of wind energy and 1,400 MW of solar energy by 2030, [according to](#) its Integrated Resource Plan approved by the PUC in 2016.

MISSOURI

AMEREN MISSOURI

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Ameren Missouri is the largest electric utility in the state and has begun its transition from coal-fired generation to more renewables. Ameren [currently gets](#) 71 percent of its energy from four coal plants that total 5,100 MW. However, Ameren recently announced plans for three wind and solar projects as part of its goal to reduce carbon emissions 80 percent by 2050. This includes a 400 MW wind farm in northeast Missouri (the largest in the state), a 157 MW wind project in Atchison County, and a newly-launched community solar pilot program. The utility expects that clean energy will power 10 percent of its 1.2 million customers by 2020.

Their [2017 Integrated Resource Plan](#) includes more details in their transition: Ameren Missouri will add at least 700 MW of wind generation by 2020. The 70-year-old Meramec Energy Center, its fourth-largest coal plant at 900 MW, will be retired in 2022. By 2025, Ameren will add 50 MW of solar generation and 50 MW more by 2027. It will retire half of its coal generation, about 2,750 MW, in the next 20 years.

"Our transition to cleaner forms of generation is building momentum," [says](#) Michael Moehn, president of Ameren Missouri. "Investing in renewable generation, with the majority in Missouri, benefits our customers and the communities we serve by keeping rates steady and increasing economic activity."

"Between the substantial improvements in the wind turbine technology and declining prices, it makes a lot of sense for us to be making this significant investment," [adds](#) Ajay Arora, vice

president of power operations and energy management at Ameren Missouri. "As we grow renewable energy, we're also preparing smart technology upgrades for the state's energy grid. Combined, they will create long-lasting, positive impacts for our customers."

WISCONSIN

ALLIANT ENERGY

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Alliant Energy is based in Madison and also has operations in Iowa and Minnesota. Alliant Energy is committed to reducing carbon emissions 40 percent by 2030 and 80 percent by 2050. The company also [plans on retiring](#) all coal operations by 2050. Its electric utility subsidiaries include Interstate Power and Light (IPL) and Wisconsin Power and Light (WPL).

Currently, Alliant Energy owns [623 MW of wind energy](#) and 6.2 MW of solar capacity, and the company plans to add 1,150 MW of owned wind by 2021 and over 1,000 MW of additional renewable energy capacity through Paid Purchase Agreements (PPAs - in which the utility purchases the electricity from a project but does not own the project).

*"It's not like coal or gas, where we're paying money for that fuel, its free," [said](#) Terry Kouba, Alliant's Senior Vice President of Utility Operations and Presidents of the Iowa energy company. So what we're seeing right now for forecasting in 2019, is that our **fuel costs will be approximately \$23 million less because of wind energy, and we'll flow that savings right to customers.**"*

*"Our investments in wind energy will bring long-term benefits to Iowa," [said](#) Terry Kouba, President of Alliant Energy's Iowa energy company. "Beyond being renewable, **wind energy delivers lower fuel costs for customers, property taxes to communities and lease payments to landowners.**"*

WEC ENERGY GROUP

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WEC Energy Group, which operates WE Energies, is based in Milwaukee and serves [4.5 million customers](#) in Wisconsin, Illinois, Michigan and Minnesota with 26 percent of its electricity [generated](#) by carbon-free resources.

WEC Energy Group [recently set](#) a long-term goal to reduce carbon emissions 80 percent from 2005 levels by 2050. It expects to reach a 40 percent reduction as early as 2023. It plans to retire more than 1,800 MW of coal generation by 2020 and add 400 MW of natural gas generation and 350 MW of zero-carbon generation like two solar projects.

WEC Energy Group has faced criticism for opening two coal-fired units in Oak Creek in 2010 and 2011, which are among the last of their kind in the US. While WEC plans to continue to run Oak Creek for some time, they retired their 200 MW Pulliam Power Plant in Green Bay, their 100 MW share of Edgewater 4 in Sheboygan, and We Energies 1,190 MW Pleasant Prairie Power Plant in Pleasant Prairie. It plans to retire its 350 MW Presque Isle Power Plant in Marquette in 2019.

"Over the past five years, utility-scale solar has increased in efficiency, and prices have dropped by approximately 70 percent," [said](#) CEO Gale Klappa. *"These factors make solar a cost-effective option for our customers - an option that also fits very well with our summer demand curve."*

It's clear that many of the Midwest's electric utilities are leading the nation's transition toward clean energy to the benefit of ratepayers, our economy, and our environment. That's good news for their customers that want clean, affordable energy. It's good for rural communities throughout the Midwest [that benefit from](#) the capital investments that drive an economic ripple effect throughout the community. And it's good for the U.S. economy, as the wind industry employs over [100,000 Americans](#) and the solar industry employs [nearly 250,000](#). Wind and solar energy are affordable, clean sources of reliable energy that is powering our future.

Renewable energy is just smart.

Want to learn more about renewable energy? [Sign up for our monthly "Renewable Champions" newsletter](#) to get the latest stories and resources about the Midwest's transition to renewable energy.