



Leading a powerful clean energy transition

Annual shareholder meeting highlights investments in renewable generation

MGE Energy shareholders heard from executive leadership about MGE Energy’s ongoing clean energy transition during the Company’s virtual annual meeting in May. Chairman, President and CEO Jeff Keebler discussed the Company’s continued investment in cost-effective, carbon-free energy to achieve its science-based carbon reduction goals.

Keebler highlighted the Company’s most recent renewable energy projects, including:

- Its purchase of 25 MW of solar capacity from the 250-megawatt (MW) Darien solar project in Rock and Walworth counties, which came online in early 2025. The purchase also will include 7.5 MW of battery storage capacity. The project’s 75-MW battery system is expected online in 2026.
- Its purchase of 20 MW of solar capacity from the 200-MW Paris Solar project in Kenosha County. The project came online in late 2024. The 110-MW battery storage facility at the Paris site is expected online this year. MGE will own 11 MW of battery storage capacity.
- Two 6-MW solar projects in Fitchburg. Tyto Solar, which came online last year, and Strix Solar, which began serving Madison Gas and Electric (MGE) customers earlier this year, are directly connected to MGE’s distribution system. One-third of the Strix Solar project will serve MGE’s recently approved Shared Solar-Strix program.

These and other projects in development or awaiting regulatory approval advance the Company’s science-based carbon reduction goals of at least 80% reduced carbon emissions by 2030 and net-zero carbon electricity by 2050. MGE already is halfway to its 2030 goal, having reduced carbon emissions 40% compared to 2005 levels.

Role of natural gas in enabling MGE’s ongoing clean energy transition

Keebler also discussed the importance of lower-emission, dispatchable capacity to enable the Company’s transition

to greater use of renewables. He said the Company’s investment in natural gas helps to ensure electric service reliability because it offers capacity that can be managed quickly to respond to the demands of the grid.

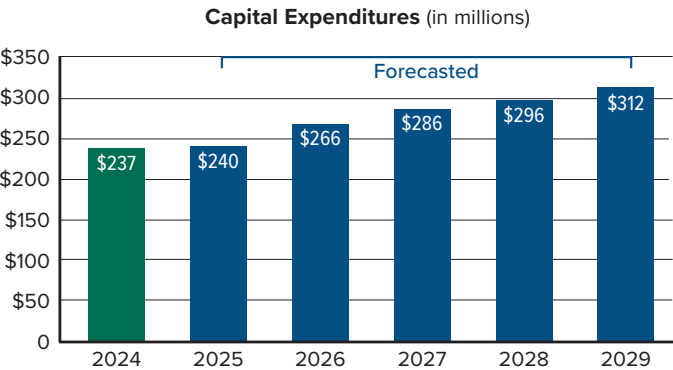
“This is why we consider natural gas an enabling fuel, it is enabling our decarbonization transition by providing efficient and reliable lower-emission capacity when we need it—when renewables are less productive or when they are insufficient to meet demand. Renewables come first, and then natural gas fills in, as needed, to meet demand,” he told shareholders.

In June 2024, the Company purchased an additional 25 MW of capacity in the West Riverside Energy Center, a modern, highly efficient natural gas power plant in Rock County, Wisconsin. MGE owns a total of 50 MW in the plant, which came online in 2020.

Keebler said he expects additional investment in natural gas to help facilitate the Company’s planned growth in wind, solar and battery storage.

Disciplined financial management facilitating asset growth

Jared Bushek, Vice President – Chief Financial Officer and Treasurer, highlighted the Company’s disciplined financial management in helping to advance its significant investment in new generation. MGE consistently maintains the highest credit ratings of any investor-owned combination utility in the nation from Standard & Poor’s (S&P) and Moody’s.





*Strix Solar, a 6-MW solar array in Fitchburg, Wis., began serving MGE customers in early 2025. One-third of the project will serve MGE's recently approved Shared Solar-Strix program. The program will offer business and residential customers affordable solar generated in our community.*

More than half of the Company's projected capital expenditures through 2029 will support generation investments to achieve its carbon reduction goals. "We expect our ongoing transition toward deep decarbonization to continue fueling the Company's asset growth as we work toward net-zero carbon electricity," Bushek said.

In the last five years, MGE Energy has grown its asset base from approximately \$2 billion to more than \$2.8 billion. This growth amounts to a compound annual growth rate in assets of more than 6%.

For more from the 2025 Annual Meeting, watch the webcast at [virtualshareholdermeeting.com/mgee2025](https://virtualshareholdermeeting.com/mgee2025).

## Regulators approve more local solar, arrearage management program

MGE continues to grow its use of locally generated cost-effective solar to serve all MGE electric customers.

In early May, MGE received State regulatory approval to build the Sunnyside Solar Energy Center, a 20-megawatt (MW) solar array and 40-MW battery storage system in Fitchburg, Wis. The facility will provide locally generated solar energy directly to MGE's distribution system.

The 40 MW of four-hour battery storage will provide electricity during times when energy demand is greatest and when renewable capacity is insufficient to meet all customer needs. The solar array is expected online in 2026; the battery storage system is expected in 2027.

## High Noon Solar Energy Center

MGE also received State regulatory approval in spring to purchase solar capacity and battery storage from the High Noon Solar Energy Center, a 300-MW solar array and 165-MW battery energy storage system to be built in Columbia County. MGE will own 30 MW of solar and 16.5 MW of battery storage from the facility.

We Energies and Wisconsin Public Service, subsidiaries of WEC Energy Group, will own the remaining solar and battery storage. The High Noon Solar Energy Center is expected to start serving customers in 2027.

## Back on Track program

Back on Track, MGE's Arrearage Management Program, also was approved by State regulators this spring. When launched, the pilot program will offer financial assistance to residential customers with limited income or health-related energy needs who have accrued substantial past-due account balances.

MGE currently works with many partners to connect eligible customers with available benefits. Back on Track will serve as an additional tool to support at-risk customers in reducing arrears and is designed to help customers develop long-term, on-time monthly payment patterns.

Eligible customers who enroll will have their existing account balance separated from future charges. While enrolled, customers' charges from existing arrears will not be subject to late-payment fees or other collection activities. MGE also will provide educational opportunities to help promote long-term energy savings through energy efficiency.

Consistent with MGE's approach as your community energy company, the program design was informed by input from stakeholders representing a broad array of community-based organizations serving low-income Madison-area residents.

## MGE proposes rate changes, new programs for solar and renewable natural gas

On April 1, MGE filed a request with the Public Service Commission of Wisconsin (PSCW) to increase natural gas and electric rates in 2026 and 2027 and to introduce new customer programs.



## Commercial Shared Solar program

MGE is proposing Commercial Shared Solar, a voluntary program for business customers who have expressed an interest in participating in community solar. Commercial Shared Solar from MGE would offer business customers a cost-effective way to access locally generated solar energy.

Participating customers would pay a small up-front dollar amount to receive solar energy from a local solar array for a five-year period at a fixed rate. The proposal includes an option to extend the agreement beyond the initial five years.

## Renewable natural gas injection pilot program

MGE also is proposing a renewable natural gas (RNG) injection pilot program that would provide new opportunities for customers who produce RNG to become part of MGE's natural gas supply. The pilot would enable MGE to add customer value to waste management opportunities from sources such as landfills and farms.

RNG is natural gas derived from the biogas of decomposing organic materials. It is interchangeable with fossil fuel natural gas. RNG helps to reduce greenhouse gas emissions by displacing fossil fuel use and by capturing methane that otherwise may have been lost to the atmosphere.

The RNG injection pilot would offer MGE the opportunity to connect customers interested in local renewable natural gas with local renewable natural gas producers. A key finding from MGE's existing RNG offering, known as GPT RNG, is that customers are more interested in locally generated renewable attributes, or attributes generated in Wisconsin, rather than out of state. Both offerings advance MGE's goal of net-zero methane emissions by 2035.

Customers who produce RNG benefit from the sale of the RNG and its environmental attributes. Customers may retain the renewable attributes, sell the attributes in the market or enter into a renewable attributes purchase agreement with MGE, which would be a first for RNG injection pilots in Wisconsin.

## Proposed rate changes

### Electric rates

With significant and ongoing investment in the Company's clean energy transition, MGE is requesting a 4.9% electric rate increase in 2026 and a 4.3% increase in 2027. If approved, a typical residential customer using 500 kilowatt-hours (kWh) a month would see a bill increase of less than \$7 a month in 2026. In 2027, a typical residential customer would see a bill increase of about \$3.75 a month.

The increase in electric rates includes investments made in solar and battery storage and in the West Riverside Energy Center, which provides necessary reliability and dispatchability for the grid, helping to enable the Company's transition to greater use of renewables and a decarbonized grid.



*Crews install new facilities where overhead electric lines have been removed and replaced with underground lines as part of MGE's grid modernization projects.*

It also includes continued investment in MGE's grid modernization projects. The projects upgrade the distribution system and provide for continued electric service reliability to customers. This work includes replacing aging facilities and installing new underground electric lines, as well as replacing or removing existing overhead power lines and the installation of enhanced electric grid monitoring and control technology to help reduce the duration of storm-related outages.

### Natural gas rates

MGE is requesting a 2.3% increase in natural gas rates for 2026 and a 2.2% increase in 2027. If approved, the typical residential natural gas bill, reflecting 720 therms used annually, would see a monthly increase of about \$1.72 in 2026. In 2027, a typical residential natural gas bill would see a bill increase of about \$1.56 a month.

The increase in natural gas rates includes continued investments in system modernization projects to maintain a safe and dependable system.

### Commitment to energy affordability

MGE has been able to contain and to manage costs, and the utility's fuel purchases for electric generation have been decreasing due to, in part, recent renewable generation projects coming online. Renewables have no fuel costs, which helps to reduce rate volatility.

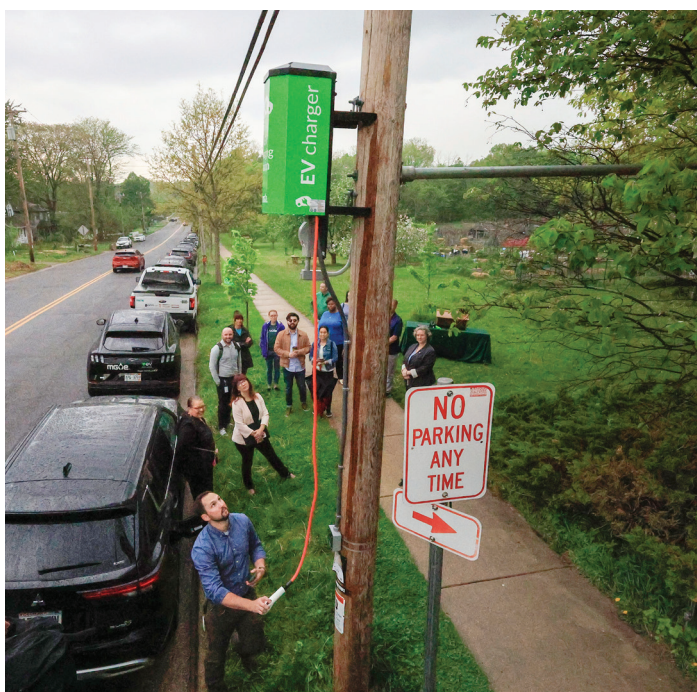
MGE is sensitive to the impacts of proposed rate increases, noting the proposed increases are below the rate of inflation and have been throughout the past 10 years. An MGE residential electric customer bill as a percentage of customer wallet at 1.51% is below the Wisconsin utility peer average of 1.67%. MGE's affordability as percentage of customer wallet has improved almost 30% since 2013.

State regulators will hold public hearings on the proposed changes later this year. A final decision on the request is expected by the end of the year.

## City of Madison, MGE introduce new pole-mounted charging stations

In mid-May, MGE and the City of Madison teamed up to unveil five new pole-mounted electric vehicle (EV) chargers located throughout Madison, expanding MGE's public charging network to nearly 60 chargers. The new chargers are attached to existing MGE utility poles, a first for MGE and the city.

"We know concerns about the availability of charging can be a barrier for some drivers to go electric. That's why we welcomed the opportunity to partner with the City to find locations that could benefit from easy access to curbside EV charging," said Cari Anne Renlund, MGE Vice President, General Counsel and Secretary. "Together, we identified five locations, neighborhoods with multifamily housing and without existing or convenient access to EV charging, to add chargers to existing MGE electric poles."



*In mid-May, MGE Energy Vice President General Counsel and Secretary Cari Anne Renlund and Madison Mayor Satya Rhodes-Conway unveiled MGE's new pole-mounted EV charging stations. MGE and City staff partnered to identify neighborhoods across the city suitable for the five curbside chargers. Photo by John Hart, Wisconsin State Journal.*

Studies show that about 80% of EV charging happens at home. Home charging can be challenging for drivers who don't have a garage or dedicated parking. The five new pole-mounted curbside charging stations add to the list of MGE's public charging stations, all of which are powered by 100% renewable energy. Visit [mge.com/EVcharging](https://mge.com/EVcharging) for a map of MGE's public charging network.

### EV charging pilot for commercial customers

MGE has worked and continues to work with customers, stakeholders, municipalities and other community partners to grow the use of EVs and to facilitate charging options throughout the community.

Another example is MGE's proposed Commercial EV Charging Allowance Program. The program is designed to help commercial customers install EV charging at their sites.

If approved by State regulators, the program would provide revenue-based allowances to commercial customers for behind-the-meter EV charging infrastructure to help manage customers' up-front costs. All MGE electric customers stand to benefit from the program design because the load created through increased EV charging will expand the base through which utility costs are spread.

The electrification of transportation is one of MGE's key strategies to achieve deep decarbonization. Transportation is the leading contributor of greenhouse gas emissions in the United States.

### Financial update available online

Interested in more information about financial performance? MGE Energy publishes financial updates online at the close of every quarter.

Visit [mgeenergy.com/financialupdate](https://mgeenergy.com/financialupdate) to access these presentations.

Contact shareholder services:  
(608) 252-4744 or (800) 356-6423  
[web.queries@computershare.com](mailto:web.queries@computershare.com)  
P.O. Box 1231  
Madison, WI 53701-1231

Learn more at [mgeenergy.com](https://mgeenergy.com):

- Stock price
- Online account access
- Stock purchase plan
- Company news
- Dividends and earnings

The Inside View is published twice a year to provide investors with information about MGE Energy. MGE Energy's primary asset, Madison Gas and Electric, provides highly reliable gas and electric service and promotes economic development in south-central and western Wisconsin.