



State of Wisconsin

LEGISLATIVE REFERENCE BUREAU

RESEARCH APPENDIX - **PLEASE DO NOT REMOVE FROM DRAFTING FILE**

Date Transfer Requested: 02/02/2006 (Per: MDK)



 Appendix A ... Part 03 of 04

 The 2005 drafting file for LRB 05-4303/P4

has been transferred to the 2005 drafting file for

LRB 05s0511

 The attached 2005 draft was incorporated into the new 2005 draft listed above. For research purposes, this cover sheet and the attached drafting file were copied, and added, as an appendix, to the new 2005 drafting file. If introduced this section will be scanned and added, as a separate appendix, to the electronic drafting file folder.

 This cover sheet was added to rear of the original 2005 drafting file. The drafting file was then returned, intact, to its folder and filed.



State of Wisconsin
2005 - 2006 LEGISLATURE

LRB-4303/P2
MDK:jd:rs P3

D - NOTE

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

Today
pm

RM has
been
run

Regen

1 **AN ACT** *to repeal* 16.957 (1) (d), (e) and (h), 16.957 (1) (r), 16.957 (2) (b), 16.957

2 (2) (c) 2m., 2n. and 4., 16.957 (2) (d) 2., 16.957 (2) (d) 4. c., 16.957 (3) (b) and (c),

3 16.957 (4) (c) 1. c. and 2., 16.957 (5) (c) and (d) and 16.957 (5) (e) 2.; **to renumber**

4 16.957 (3) (a); **to renumber and amend** 196.025 (1); **to consolidate,**

5 **renumber and amend** 16.957 (5) (e) (intro.) and 1.; **to amend** 16.957 (1) (c),

6 16.957 (1) (o) 1m., 16.957 (1) (o) 3., 16.957 (2) (a) 4., 16.957 (2) (c) 1., 16.957 (2)

7 (c) 2., 16.957 (2) (d) 1., 16.957 (2) (d) 3., 16.957 (2) (d) 4. a., 16.957 (4) (a), 16.957

8 (4) (am), 16.957 (4) (b) (intro.), 16.957 (4) (c) (title), 16.957 (4) (c) 1. (intro.),

9 16.957 (4) (c) 1. a., 16.957 (4) (c) 3., 16.957 (5) (a), 16.957 (5) (am), 16.957 (5) (f),

10 16.957 (5) (g) 1. (intro.), 16.957 (5) (g) 1. a., 16.957 (5) (g) 2., 20.505 (3) (s), 25.96,

11 76.28 (1) (d), 76.48 (1g) (d), 77.54 (44), 285.48 (4) (a) and 285.48 (4) (b); **to repeal**

12 **and recreate** 16.957 (title), 16.957 (5) (b) and 196.374; and **to create** 196.025

13 (1) (title), 196.025 (1) (b) to (d), 196.025 (1m) (title), 196.025 (2) (title), 196.025

14 (2m) (title), 196.025 (3) (title), 196.025 (4) (title) and 196.025 (5) (title) of the

15 statutes; **relating to:** public utility and cooperative association programs for

1 energy efficiency, renewable resources, and low-income assistance and
2 granting rule-making authority.

Analysis by the Legislative Reference Bureau

This is a preliminary draft. An analysis will be provided in a later version.
For further information see the *state and local* fiscal estimate, which will be
printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

3 SECTION 1. 16.957 (title) of the statutes is repealed and recreated to read:

4 16.957 (title) **Low-income assistance.**

5 SECTION 2. 16.957 (1) (c) of the statutes is amended to read:

6 16.957 (1) (c) "Commitment to community program" means a program by a
7 municipal utility or retail electric cooperative for low-income assistance ~~or an energy~~
8 ~~conservation program by a municipal utility or retail electric cooperative.~~

9 SECTION 3. 16.957 (1) (d), (e) and (h) of the statutes are repealed.

10 SECTION 4. 16.957 (1) (o) 1m. of the statutes is amended to read:

11 16.957 (1) (o) 1m. The amount of the portion of the public benefits fee for fiscal
12 year 1999-2000 that is specified in sub. s. 16.957 (4) (c) 1. 1999 stats. The amount
13 ~~specified in this subdivision shall not be subject to the reduction under 1999~~
14 ~~Wisconsin Act 9, section 9101 (1zr) (a)~~ plain period
> 1999 stats

15 SECTION 5. 16.957 (1) (o) 3. of the statutes is amended to read:

16 16.957 (1) (o) 3. Fifty percent of the amount of public benefits fees that
17 municipal utilities and retail electric cooperatives are required to charge under sub.
18 s. 16.957 (5) (a), 1999 stats., in fiscal year 1999-2000. ~~The amount specified in this~~

INSERT 2-14 ✓

1 subdivision shall not be subject to the reduction under 1999 Wisconsin Act 9, section
2 9101 (1zv) (c).

3 **SECTION 6.** 16.957 (1) (r) of the statutes is repealed.

***NOTE: The instructions include repealing s. 16.957 (2) (a), which I assume is a
typo. Or did you intend to repeal s. 16.957 (2) (a) (intro.), which requires DOA to consult
with the Council on Utility Public Benefits?

4 **SECTION 7.** 16.957 (2) (a) 4. of the statutes is amended to read:

5 16.957 (2) (a) 4. ~~Fifty percent of the~~ The moneys collected in ~~public benefits~~
6 low-income assistance fees under sub. (5) (a).

7 **SECTION 8.** 16.957 (2) (b) of the statutes is repealed.

8 **SECTION 9.** 16.957 (2) (c) 1. of the statutes is amended to read:

9 16.957 (2) (c) 1. Eligibility requirements for low-income assistance under
10 programs established under par. (a). The rules shall prohibit a person who receives
11 low-income assistance from a municipal utility or retail electric cooperative under
12 a program specified in sub. (5) (d) ~~2. b. or 3. a.~~ (b) 1. from receiving low-income
13 assistance under programs established under par. (a).

14 **SECTION 10.** 16.957 (2) (c) 2. of the statutes is amended to read:

15 16.957 (2) (c) 2. Requirements and procedures for applications for grants
16 awarded under programs established under par. (a) ~~or (b) 1.~~

17 **SECTION 11.** 16.957 (2) (c) 2m., 2n. and 4. of the statutes are repealed.

18 **SECTION 12.** 16.957 (2) (d) 1. of the statutes is amended to read:

19 16.957 (2) (d) 1. For each fiscal year ~~after fiscal year 1998-99~~, determine the
20 low-income need target for that fiscal year.

21 **SECTION 13.** 16.957 (2) (d) 2. of the statutes is repealed.

22 **SECTION 14.** 16.957 (2) (d) 3. of the statutes is amended to read:

1 16.957 (2) (d) 3. Deposit all moneys received under sub. (4) (a) or (5) ~~(e) or (d)~~
2 **(b) 2.** in the utility public benefits fund.

3 **SECTION 15.** 16.957 (2) (d) 4. a. of the statutes is amended to read:

4 16.957 (2) (d) 4. a. The expenses of the department, other state agencies, and
5 grant recipients in administering or participating in the programs under ~~pars.~~ par.
6 (a) ~~and (b).~~

7 **SECTION 16.** 16.957 (2) (d) 4. c. of the statutes is repealed.

8 **SECTION 17.** 16.957 (3) (a) of the statutes is renumbered 16.957 (3).

9 **SECTION 18.** 16.957 (3) (b) and (c) of the statutes are repealed.

10 **SECTION 19.** 16.957 (4) (a) of the statutes is amended to read:

11 16.957 (4) (a) *Requirement to charge ~~public benefits~~ low-income assistance fees.*

12 Each electric utility, except for a municipal utility, shall charge each customer a
13 ~~public benefits~~ low-income assistance fee in an amount established in rules
14 promulgated by the department under par. (b). An electric utility, except for a
15 municipal utility, shall collect and pay the fees to the department in accordance with
16 the rules promulgated under par. (b). ~~The public benefits~~ low-income assistance fees
17 collected by an electric utility shall be considered trust funds of the department and
18 not income of the electric utility.

19 **SECTION 20.** 16.957 (4) (am) of the statutes is amended to read:

20 16.957 (4) (am) *Electric bills.* An electric utility shall ~~include a public benefits~~
21 show the low-income assistance fee in the fixed charges for electricity as a separate
22 line in a customer's bill, identified as the "state low-income assistance fee," and shall
23 provide the customer with an annual statement that identifies the annual charges
24 for ~~public benefits~~ low-income assistance fees and describes the programs for which
25 fees are used.

from fee ✓

1 SECTION 21. 16.957 (4) (b) (intro.) of the statutes is amended to read:

2 16.957 (4) (b) *Rules.* (intro.) In consultation with the council, the department
3 shall promulgate rules that establish the amount of a public benefits low-income
4 assistance fee under par. (a). Fees established in rules under this paragraph may
5 vary by class of customer, but shall be uniform within each class, and shall satisfy
6 each of the following:

7 SECTION 22. 16.957 (4) (c) (title) of the statutes is amended to read:

8 16.957 (4) (c) (title) *Amount of public benefits low-income assistance fees.*

9 SECTION 23. 16.957 (4) (c) 1. (intro.) of the statutes is amended to read:

10 16.957 (4) (c) 1. 'Low-income claw funding need target' (intro.) In fiscal year
11 1999-2000, a portion of the public benefits fee shall be an amount that, when added
12 to 50% of the estimated public benefits fees charged by municipal utilities and retail
13 electric cooperatives under sub. (5) (a) for that fiscal year, shall equal \$24,000,000.
14 In each fiscal year after fiscal year 1999-2000, a portion of the public benefits, the
15 low-income assistance fee shall be an amount that, when added to the sum of the
16 following shall equal the low-income need target for that fiscal year determined by
17 the department under sub. (2) (d) 1.:

18 SECTION 24. 16.957 (4) (c) 1. a. of the statutes is amended to read:

19 16.957 (4) (c) 1. a. ~~Fifty percent of the estimated public benefits~~ The estimated
20 low-income assistance fees charged by municipal utilities and retail electric
21 cooperatives under sub. (5) (a) for that fiscal year.

22 SECTION 25. 16.957 (4) (c) ~~1 and 2.~~ ^{is} of the statutes ~~are~~ repealed.

23 SECTION 26. 16.957 (4) (c) 3. of the statutes is amended to read:

24 16.957 (4) (c) 3. 'Limitation on electric bill increases.' ~~For the period beginning~~
25 ~~on October 29, 1999, and ending on June 30, 2008, the~~ total increase in a customer's

(INSERT 5-21) ✓

The

STRIKE
monthly

1 electric ~~bill~~^{bill} that is based on the requirement to pay ~~public benefits fees~~^{public benefits fees} under s.
 2 ~~16.957 (4) (a) 2003 stats.~~^{16.957 (4) (a) 2003 stats.} and low-income assistance fees, including any increase
 3 resulting from an electric utility's compliance with this section, may not exceed 3%
 4 of the total of every other charge for which the customer is billed for that ~~period~~^{month} or
 5 \$750 ~~per month~~, whichever is less. INSERT 6-5 ✓

***NOTE: See the reference I added to public benefits fees paid under current law.

6 SECTION 27. 16.957 (5) (a) of the statutes is amended to read:

7 16.957 (5) (a) *Requirement to charge ~~public benefits~~ low-income assistance fees.*

8 Each retail electric cooperative and municipal utility shall charge a monthly ~~public~~
 9 ~~benefits~~ low-income assistance fee to each customer or member in an amount that
 10 is sufficient for the retail electric cooperative or municipal utility to collect an annual
 11 average of \$16 ~~\$8~~ per meter. A retail electric cooperative or municipal utility may
 12 determine the amount that a particular class of customers or members is required
 13 to pay under this paragraph and may charge different fees to different classes of
 14 customers or members.

15 SECTION 28. 16.957 (5) (am) of the statutes is amended to read:

16 16.957 (5) (am) *Public benefits ~~Low-income assistance fee~~ restriction.*

17 Notwithstanding par. (a), for the period beginning on October 29, 1999, and ending
 18 ~~on June 30, 2008~~, the total increase in a customer's or member's electric bills^{bill} that is
 19 based on the requirement to pay ~~public benefits fees for low-income assistance under~~
 20 ~~s. 16.957 (5) (a), 2003 stats.~~^{s. 16.957 (5) (a), 2003 stats.} and low-income assistance fees, including any increase
 21 resulting from a retail electric cooperative's or municipal utility's compliance with
 22 this section, may not exceed 3% ~~1.5 percent~~ of the total of every other charge for which
 23 the member or customer is billed for that ~~period~~^{Month} or \$750 ~~\$375~~^{per month} per month, whichever
 24 is less. INSERT 6-24 ✓

monthly

strike

per month

✓
****NOTE: See the reference I added to public benefits fees paid under current law for low-income assistance. See also proposed s. 196.374 (7) (a) 2., which refers to public benefits fees paid under current law for programs other than for low-income assistance.

1 **SECTION 29.** 16.957 (5) (b) of the statutes is repealed and recreated to read:

2 16.957 (5) (b) *Commitment to community programs.* 1. Except as provided in
3 subd. 2., in each fiscal year, each retail electric cooperative and municipal utility
4 shall spend on commitment to community programs an amount equal to the fees that
5 the cooperative or utility charges under par. (a) in that fiscal year.

✓
****NOTE: I made changes to the above. Are my changes okay?

6 2. No later than October 1, 2007, and no later than every 3rd year after that
7 date, each municipal utility or retail electric cooperative shall notify the department
8 whether the utility or cooperative has elected to contribute the fees that the utility
9 or cooperative charges under par. (a) to the programs established under sub. (2) (a)
10 in each fiscal year of the 3-year period for which the utility or cooperative has made
11 the election. If a municipal utility or retail electric cooperative elects to contribute
12 to the programs established under sub. (2) (a), the utility or cooperative shall pay the
13 low-income assistance fees that the utility or cooperative collects under par. (a) to
14 the department in each fiscal year of the 3-year period for which the utility or
15 cooperative has made the election.

✓
****NOTE: I changed the above date from 2006 to 2007.

16 **SECTION 30.** 16.957 (5) (c) and (d) of the statutes are repealed.

17 **SECTION 31.** 16.957 (5) (e) (intro.) and 1. of the statutes are consolidated,
18 renumbered 16.957 (5) (e) and amended to read:

19 16.957 (5) (e) *Wholesale supplier credit.* If a wholesale supplier has established
20 a commitment to community program ~~for low-income assistance or an energy~~
21 conservation program, a municipal utility or retail electric cooperative that is a
22 customer or member of the wholesale supplier may do any of the following: 1. Include

1 include an amount equal to the product of the municipal utility's or retail electric
2 cooperative's wholesale supply percentage and the amount that the wholesale
3 supplier has spent on ~~low-income assistance~~ the commitment to community
4 program in a fiscal year in calculating the amount that the municipal utility or retail
5 electric cooperative has spent on ~~low-income assistance~~ commitment to community
6 programs in that fiscal year under par. (d) 2. b. or 3. a. (b) 1.

***NOTE: I substituted "commitment to community programs" for the reference to
low-income assistance.

7 **SECTION 32.** 16.957 (5) (e) 2. of the statutes is repealed.

8 **SECTION 33.** 16.957 (5) (f) of the statutes is amended to read:

9 16.957 (5) (f) *Joint programs.* Municipal utilities or retail electric cooperatives
10 may establish joint commitment to community programs, except that each municipal
11 utility or retail electric cooperative that participates in a joint program is required
12 to comply with the spending requirements under par. (d) (b) 1.

13 **SECTION 34.** 16.957 (5) (g) 1. (intro.) of the statutes is amended to read:

14 16.957 (5) (g) 1. (intro.) For each fiscal year, each municipal utility and retail
15 electric cooperative that ~~does not pay 100% of the public benefits fee~~ spends the
16 low-income assistance fees that it the utility or cooperative charges under par. (a)
17 ~~to the department under par. (c) shall file a report with the department on~~
18 commitment to community programs under par. (b) 1. shall provide for an
19 independent audit of its programs and submit a report to the department that
20 describes each of the following:

21 **SECTION 35.** 16.957 (5) (g) 1. a. of the statutes is amended to read:

22 16.957 (5) (g) 1. a. An accounting of ~~public benefits~~ low-income assistance fees
23 charged to customers or members under par. (a) in the fiscal year and expenditures

1 on commitment to community programs under par. (d) ~~(b) 1.~~, including any amounts
2 included in the municipal utility's or retail electric cooperative's calculations under
3 par. (e).

4 **SECTION 36.** 16.957 (5) (g) 2. of the statutes is amended to read:

5 16.957 (5) (g) 2. The department shall require that municipal utilities and
6 retail electric cooperatives file reports under subd. 1. electronically, in a format that
7 allows for tabulation, comparison, and other analysis of the reports. The department
8 shall maintain reports filed under subd. 1. for at least 6 years.

9 **SECTION 37.** 20.505 (3) (s) of the statutes is amended to read:

10 20.505 (3) (s) *Energy conservation and efficiency and renewable resource*
11 *grants.* From the utility public benefits fund, a sum sufficient for ~~energy~~
12 ~~conservation and efficiency and renewable resource grants under s. 16.957 (2) (b) 1.~~
13 and to make the transfer to the air quality improvement fund under s. 16.958 (2) (a).

✓ *****NOTE: Should the program under s. 16.958 be repealed? If so, the above
appropriation should also be repealed.*

14 **SECTION 38.** 25.96 of the statutes is amended to read:

15 **25.96 Utility public benefits fund.** There is established a separate
16 nonlapsible trust fund designated as the utility public benefits fund, consisting of
17 deposits by the ~~public service commission under s. 196.374 (3), public benefits~~
18 low-income assistance fees received under s. 16.957 (4) (a) and (5) (e) ~~and (d) and~~
19 ~~contributions received under s. 16.957 (2) (c) 4. and (d) 2. (b) 2.~~

20 **SECTION 39.** 76.28 (1) (d) of the statutes is amended to read:

21 76.28 (1) (d) "Gross revenues" for a light, heat and power company other than
22 a qualified wholesale electric company or a transmission company means total
23 environmental control charges paid to the company under a financing order issued

1 under s. 196.027 (2) and total operating revenues as reported to the public service
2 commission except revenues for interdepartmental sales and for interdepartmental
3 rents as reported to the public service commission and deductions from the sales and
4 use tax under s. 77.61 (4), except that the company may subtract from revenues
5 either the actual cost of power purchased for resale, as reported to the public service
6 commission, by a light, heat and power company, except a municipal light, heat and
7 power company, that purchases under federal or state approved wholesale rates
8 more than 50% of its electric power from a person other than an affiliated interest,
9 as defined in s. 196.52 (1), if the revenue from that purchased electric power is
10 included in the seller's gross revenues or the following percentages of the actual cost
11 of power purchased for resale, as reported to the public service commission, by a
12 light, heat and power company, except a municipal light, heat and power company
13 that purchases more than 90% of its power and that has less than \$50,000,000 of
14 gross revenues: 10% for the fee assessed on May 1, 1988, 30% for the fee assessed on
15 May 1, 1989, and 50% for the fee assessed on May 1, 1990, and thereafter. For a
16 qualified wholesale electric company, "gross revenues" means total business
17 revenues from those businesses included under par. (e) 1. to 4. For a transmission
18 company, "gross revenues" means total operating revenues as reported to the public
19 service commission, except revenues for transmission service that is provided to a
20 public utility that is subject to the license fee under sub. (2) (d), to a public utility, as
21 defined in s. 196.01 (5), or to a cooperative association organized under ch. 185 for
22 the purpose of providing electricity to its members only. For an electric utility, as
23 defined in s. 16.957 (1) (g), "gross revenues" does not include ~~public benefits~~
24 low-income assistance fees collected by the electric utility under s. 16.957 (4) (a) or
25 (5) (a). For a generator public utility, "gross revenues" does not include any grants

1 awarded to the generator public utility under s. 16.958 (2) (b). For a wholesale
2 supplier, as defined in s. 16.957 (1) (w), "gross revenues" does not include any ~~public~~
3 ~~benefits~~ low-income assistance fees that are received from a municipal utility or
4 retail electric cooperative or under a joint program established under s. 16.957 (5)
5 (f). For a municipal utility, "gross revenues" does not include ~~public-benefits~~
6 low-income assistance fees received by the municipal utility from a municipal utility
7 or retail electric cooperative under a joint program established under s. 16.957 (5)
8 (f).

9 **SECTION 40.** 76.48 (1g) (d) of the statutes is amended to read:

10 76.48 (1g) (d) "Gross revenues" means total operating revenues, except
11 revenues for interdepartmental sales and for interdepartmental rents, less
12 deductions from the sales and use tax under s. 77.61 (4) and, in respect to any electric
13 cooperative that purchases more than 50% of the power it sells, less the actual cost
14 of power purchased for resale by an electric cooperative, if the revenue from that
15 purchased electric power is included in the seller's gross revenues or if the electric
16 cooperative purchased more than 50% of the power it sold in the year prior to
17 January 1, 1988, from a seller located outside this state. For an electric cooperative,
18 "gross revenues" does not include grants awarded to the electric cooperative under
19 s. 16.958 (2) (b). For a retail electric cooperative, "gross revenues" does not include
20 ~~public-benefits~~ low-income assistance fees collected by the retail electric cooperative
21 under s. 16.957 (5) (a), ~~public-benefits~~ low-income assistance fees received by the
22 retail electric cooperative from a retail electric cooperative or municipal utility under
23 a joint program established under s. 16.957 (5) (f). For a wholesale supplier, as
24 defined in s. 16.957 (1) (w), "gross revenues" does not include any ~~public-benefits~~
25 low-income assistance fees that are received from a municipal utility, as defined in

1 s. 16.957 (1) (q), or retail electric cooperative or under a joint program established
2 under s. 16.957 (5) (f).

3 SECTION 41. 77.54 (44) of the statutes is amended to read:

4 77.54 (44) The gross receipts from the collection of ~~public benefits~~ low-income
5 assistance fees that are charged under s. 16.957 (4) (a) or (5) (a).

6 SECTION 42. 196.025 (1) (title) of the statutes is created to read:

7 196.025 (1) (title) STATE ENERGY POLICY.

8 SECTION 43. 196.025 (1) of the statutes is renumbered 196.025 (1) (a) and
9 amended to read:

10 196.025 (1) (a) Consideration of energy priorities. ~~To~~ Except as provided in
11 pars. (b) to (d), to the extent cost-effective, technically feasible and environmentally
12 sound, the commission shall implement the priorities under s. 1.12 (4) in making all
13 energy-related decisions and orders, including advance plan, rate setting and
14 rule-making orders.

15 SECTION 44. 196.025 (1) (b) to (d) of the statutes are created to read:

16 196.025 (1) (b) Energy conservation and efficiency. In a proceeding regarding
17 a request by ~~a~~ an investor-owned electric public utility under s. 196.49, 196.491 (3), or 196.80 for authority to acquire,
18 construct, install, or operate any plant, equipment, property, or facility, the
19 commission is not required to evaluate energy conservation and efficiency as an
20 element of or alternative to the proposal if all of the following apply:

21 1. The commission has fulfilled all of its duties and responsibilities under s.
22 196.374.

23 2. The utility has satisfied the requirements of s. 196.374 ~~for energy efficiency~~
24 ~~programs~~ for that year, as specified in s. 196.374 (8).

1 (c) *Renewable resources*. 1. In this paragraph, "renewable resource" has the
2 meaning given in s. ~~196.378 (1) (h)~~ and includes a resource with a capacity of 60
3 megawatts or more that derives electricity from hydroelectric power.

****NOTE: Should the definition in proposed s. 196.374 (1) (j) be used instead?

4 2. In a proceeding regarding a request by a utility under s. 196.49, 196.491 (3),
5 or 196.80 for authority to acquire, construct, install, or operate any plant, equipment, *an investor-owned electric public*
6 property, or facility, the commission is not required to consider renewable resources
7 as an element of or alternative to the proposal if all of the following apply:

8 a. The commission has fulfilled all of its duties and responsibilities under s.
9 196.378.

10 b. The utility is in compliance with the requirements of s. 196.378 (2) for that
11 year.

12 (d) *Transmission facilities*. In a proceeding regarding a request by a utility
13 under s. 196.49 or 196.491 (3) to *acquire,* construct, install, or operate *public* an electric transmission
14 facility or associated equipment, the commission is not required to find that approval
15 of the proposal would implement the policies under s. 1.12 ~~(2) to (5)~~ *(4)*.

16 **SECTION 45.** 196.025 (1m) (title) of the statutes is created to read:

17 196.025 (1m) (title) TRANSMISSION CORRIDORS.

****NOTE: If you want to create titles for the paragraphs in s. 196.025 (1), then titles
must be created for every other subsection in s. 196.025.

18 **SECTION 46.** 196.025 (2) (title) of the statutes is created to read:

19 196.025 (2) (title) ENVIRONMENTAL IMPACTS.

20 **SECTION 47.** 196.025 (2m) (title) of the statutes is created to read:

21 196.025 (2m) (title) COORDINATION WITH DEPARTMENT OF NATURAL RESOURCES.

22 **SECTION 48.** 196.025 (3) (title) of the statutes is created to read:

23 196.025 (3) (title) RELIABILITY REPORTS.

1 SECTION 49. 196.025 (4) (title) of the statutes is created to read:

2 196.025 (4) (title) SMALL-SCALE GENERATION INCENTIVES.

3 SECTION 50. 196.025 (5) (title) of the statutes is created to read:

4 196.025 (5) (title) MARKET POWER STUDY.

5 SECTION 51. 196.374 of the statutes is repealed and recreated to read:

6 **196.374 Energy efficiency and renewable resource programs. (1)**

7 DEFINITIONS. In this section:

8 (a) "Agricultural producer" means a person engaged in an agricultural activity,
9 as defined in s. 101.10 (1) (a).

****NOTE: I created the above term for purposes of proposed s. 196.374 (2) (a) 2. b.

10 (b) "Commitment to community program" means an energy efficiency or load
11 management program by a municipal utility or retail electric cooperative.

12 (c) "Customer application of renewable resources" means the generation of
13 electricity from renewable resources that takes place on the premises of a customer
14 of an energy utility or municipal utility or a member of a retail electric cooperative.

15 (d) "Energy efficiency program" means a program for reducing the usage or
16 increasing the efficiency of the usage of ~~natural gas or electricity~~. INSERT 14-16 ✓

17 (e) "Energy utility" means an investor-owned electric or natural gas public
18 utility.

****NOTE: I added a definition for "municipal utility" below. It's clear that a
municipal utility is not an investor-owned utility, right?

19 (f) "Load management program" means a program to allow an energy utility,
20 municipal utility, ~~or~~ wholesale electric cooperative, as defined in s. 16.957 (1) (v), to
21 control or manage daily or seasonal customer demand associated with equipment or
22 devices used by customers or members.

****NOTE: I added references to municipal utilities and wholesale electric
cooperatives to the above. Proposed s. 196.374 (7) (c) refers to a "wholesale supplier" that

INSERT 14-20 ✓

establishes a load management program and "wholesale supplier" can include a municipal utility or wholesale electric cooperative.

1 (g) "Local unit of government" has the meaning given in s. 23.24 (4) (a) 1.

2 (h) "Municipal utility" has the meaning given in s. 16.957 (1) (q).

3 (i) "Ordered program" means any of the following:

4 1. An energy efficiency or renewable resource program that an energy utility
5 conducted under s. 196.374, 1997 stats., and continued to conduct under a
6 commission order in effect on the effective date of this subdivision [revisor inserts
7 date].

8 2. A shared savings program that an energy utility conducted prior to October
9 29, 1999, and continued to conduct under a commission order in effect on the effective
10 date of this subdivision [revisor inserts date].

11 3. An energy efficiency or renewable resource program that an energy utility
12 conducted under a commission order issued on or after October 29, 1999, and before
13 the effective date of this subdivision [revisor inserts date].

14 (j) "Renewable resource" means a resource that derives energy from any source
15 other than coal, petroleum products, nuclear power or, except as used in a fuel cell,
16 natural gas. "Renewable resource" includes resources deriving energy from any of
17 the following:

18 1. Solar energy.

19 2. Wind power.

20 3. Water power.

21 4. Biomass.

22 5. Geothermal technology.

23 6. Tidal or wave action.

1 7. Fuel cell technology that does not use coal or petroleum products as fuel.

2 (k) “Renewable resource program” means a program for encouraging the
3 development or use of customer applications of renewable resources, including
4 educating customers or members about renewable resources, encouraging
5 customers or members to use renewable resources, and encouraging the transfer of
6 new or emerging technologies from research, development, and demonstration to
7 commercial implementation.

8 (L) “Retail electric cooperative” has the meaning given in s. 16.957 (1) (t).

9 (m) “Shared savings program” means a program under which an energy utility
10 finances the installation of energy efficiency improvements or renewable resources
11 systems in the facilities of a customer and recovers the cost of the installation from
12 a portion of the cost savings realized by the customer as a result of the installation.

13 (n) “Wholesale supplier” has the meaning given in s. 16.957 (1) (w).

14 (o) “Wholesale supply percentage” has the meaning given in s. 16.957 (1) (x).

15 (2) ENERGY EFFICIENCY AND RENEWABLE RESOURCE PROGRAMS. (a) *Statewide*
16 *programs.* 1. The energy utilities in this state shall collectively establish and fund
17 statewide energy efficiency and renewable resource programs. The energy utilities
18 shall contract, on the basis of competitive bids, with one or more persons to
19 administer the programs. The utilities may not execute a contract under this
20 subdivision unless the commission has approved the contract. Except as provided
21 in par. (b), ~~each energy utility shall spend the amount determined by the commission~~
22 ~~for that utility under sub. (3) (b) 3. to fund statewide energy efficiency and renewable~~
23 ~~resource programs.~~ INSEAT 16-21 ✓

24 2. The purpose of the programs under this paragraph shall be to help achieve
25 environmentally sound and adequate energy supplies at reasonable cost, consistent

1 with the commission's responsibilities under s. 196.025 (1) (a) and the utilities'
2 obligations under this chapter. The programs shall include, at a minimum, all of the
3 following:

4 a. Components to address the energy needs of residential, commercial,
5 agricultural, institutional, and industrial energy users.

6 b. Components to reduce the energy costs incurred by local units of government
7 and agricultural producers, ~~including programs to increase~~ ^{by increasing} the efficiency of energy
8 use by local units of government and agricultural producers ~~and programs to~~
9 ~~promote and provide technical and financial assistance for the installation of~~
10 ~~renewable resources at buildings and other facilities of local units of government and~~
11 ~~agricultural producers.~~ The commission shall ensure that not less than \$20,000,000
12 from the moneys utilities are required to spend under ~~sub. (3) (b) 2.~~ ^{subd. 1. or} is spent on
13 programs under this subdivision except that, if the commission determines that the
14 full amount cannot be spent on cost-effective programs for local units of government
15 and agricultural producers, the commission shall ensure that any surplus funds be
16 spent on programs to serve commercial and industrial customers.

17 c. Initiatives and market strategies that address the needs of individuals or
18 businesses facing the most significant barriers to creation of or participation in
19 markets for energy efficient products that the individual or business manufactures
20 or sells or energy efficiency services that the individual or business provides.

21 3. The commission may not require an energy utility to administer or fund any
22 energy efficiency or renewable resource program that is in addition to the programs
23 required under subd. 1. ^{or any} ordered program of the utility. ^{and} This subdivision does
24 not limit the authority of the commission to enforce an energy utility's obligations
25 under s. 196.378.

1 (b) *Utility-administered programs.* 1. An energy utility may, with commission
 2 approval, administer or fund one or more energy efficiency programs that is limited
 3 to large commercial, industrial, institutional, or agricultural customers in its service
 4 territory. An energy utility shall pay for a program under this subdivision with a
 5 portion of the amount required under sub. (3) (b) ~~3.~~ as approved by the commission.

6 An energy utility may request, and the commission may approve, to modify or
 7 discontinue, in whole or in part, a program the energy utility administers or funds
 8 under this subdivision. An energy utility shall request approval to establish, modify,
 9 or discontinue a program under this subdivision as part of a proceeding under sub.

10 (3) (b). The commission may not order an energy utility to administer or fund a
 11 program under this subdivision.

***NOTE: Can "agricultural producer" be substituted for "agricultural customer"?
 Alternatively, you could create a definition for "agricultural customer" and use that term,
 instead of "agricultural producer", in proposed 196.374 (2) (a) 2. b.

***NOTE: The above refers to energy efficiency, but not renewable resource,
 programs. Is that intentional?

12 2. The commission may, by order and only at the request of an energy utility,
 13 authorize the energy utility to administer or fund an energy efficiency or renewable
 14 resource program that is in addition to the programs required under par. (a) or
 15 authorized under subd. 1. An energy utility may request, and the commission may
 16 approve, to modify or discontinue, in whole or in part, a program the energy utility
 17 administers or funds under this subdivision. An energy utility shall request
 18 approval to establish, modify, or discontinue a program under this subdivision as
 19 part of a proceeding under sub. (3) (b).

***NOTE: I added "only" in the phrase "only at the request of an energy utility."

20 3. An energy utility that conducts or funds an ordered program may request,
 21 and the commission may approve, to modify or discontinue, in whole or in part, the

1 ordered program. An energy utility shall request the modification or discontinuation
2 of an ordered program as part of the first proceeding under sub. (3) (b).

3 (3) COMMISSION DUTIES. (a) *In general.* The commission shall have oversight
4 of programs under sub. (2). The commission shall maximize coordination of program
5 delivery, including coordination between programs under subs. (2) (a) 1. and (b) 1.
6 and 2. and (7), ordered programs, low-income weatherization programs under s.
7 16.957, and other energy efficiency or renewable resource programs.

****NOTE: I reorganized this subsection.

****NOTE: Is it okay to single out weatherization programs under s. 16.957?

8 (b) *Programs and funding.* At least every 4 years, after notice and opportunity
9 to be heard, the commission shall, by order, do all of the following.

10 1. Evaluate the energy efficiency and renewable resource programs under sub.
11 (2) (a) 1. and (b) 1. and ordered programs and set or revise goals, priorities, and
12 measurable targets for the programs. The commission shall give priority to
13 programs that moderate the growth in electric and natural gas demand and usage
14 by facilitating markets and assisting market providers to achieve higher levels of
15 energy efficiency, promoting energy reliability and adequacy, avoiding adverse
16 environmental impacts from the use of energy, and promoting rural economic
17 development.

2. Is that okay? ****NOTE: The above refers to programs under sub. (2) (b) 1. , but not sub. (2) (b)

18 2. Establish the required level of total funding for energy efficiency and
19 renewable resource programs under sub. (2) (a) 1. and (b) 1. The level of total funding
20 shall include the amount anticipated to be spent under ordered programs. The
21 commission shall provide a reasonably consistent and adequate multiyear budget
22 that promotes program improvement and stability, and maturation of programs and

INSERT
19-17

Energy efficiency and renewable resource programs

1 delivery resources. In establishing the required level of total funding, the
2 commission shall consider all of the following:

***NOTE: What does "maturation" of programs and delivery resources mean? How do delivery resources mature? Can this be clarified?

***NOTE: Should the above also refer to sub. (2) (b) 2.?

3 a. Studies of potential energy-efficiency improvements that could be made in
4 this state, including at least one study completed within the preceding 2 years that
5 provides a prospective 5-year and 10-year estimate of such potential that is
6 cost-effective.

7 b. The potential short-term and long-term impacts on electric and natural gas
8 rates and alternative means to mitigate such impacts.

9 c. The impact on the continuation and effectiveness of existing energy efficiency
10 and renewable resource programs, and the ability of such programs to capture
11 time-limited and cost-effective energy-efficiency opportunities.

12 d. The impact on the reliability and adequacy of systems for the generation and
13 transmission of electricity and the transmission of natural gas.

14 e. Societal impacts.

15 f. The potential for displacing or delaying construction of electric generating
16 plants and transmission lines.

17 g. Economic impacts that are likely to accrue from reducing state and private
18 expenditures on coal, natural gas, fuel oil, and other fossil fuel imports.

19 h. Any other relevant factors.

20 3. Establish the portion of the amount established under subd. 2. that each
21 energy utility must spend for energy efficiency and renewable resource programs.

22 The commission shall credit against the amount that an energy utility is required

INSERT 20-19 ✓

~~energy efficiency and renewable resource programs, in~~
 1 to spend any amount the commission authorizes the utility to spend for ordered
 2 programs.

3 (c) *Reviews and approvals.* The commission shall do all of the following:

4 1. Review and approve contracts under sub. (2) (a) 1. between the energy
 5 utilities and program administrators.

6 2. Review requests under sub. (2) (b). The commission may condition its
 7 approval of a request under sub. (2) (b) as necessary to protect the public interest.

8 The commission shall approve a request under sub. (2) (b) 1. or 2. if the commission

9 determines that a proposed energy efficiency ^{or renewable resource} program is in the public interest and
 10 satisfies all of the following:

****NOTE: Subsection (2) (b) 1. references energy efficiency programs and sub. (2)
 (b) 2. references both energy efficiency and renewable resource programs. The last
 sentence of the above refers only to energy efficiency programs. Are these distinctions
 intentional?

11 a. The energy efficiency program has specific savings targets and performance
 12 goals approved by the commission.

13 b. The energy efficiency program is subject to independent evaluation by the
 14 commission.

****NOTE: What is "independent" evaluation? Does this mean that the PSC must
 arrange for a 3rd party (i.e., someone other than the PSC) to do the evaluation?

15 c. Services under the energy efficiency program are provided through
 16 3rd-party market providers on a nondiscriminatory basis.

17 (d) *Audits.* Annually, the commission shall contract with one or more
 18 independent auditors to prepare a financial and performance audit of the programs
 19 specified in par. (b) 1. The purpose of the performance audit shall be to evaluate the
 20 programs and measure the performance of the programs against the goals and
 21 targets set by the commission under par. (b) 1.

1 (e) *Reports.* Annually, the commission shall prepare and post on the
2 commission's Internet site a report and submit a summary of not more than 2 pages
3 to the legislature under s. 13.172 (2). The reports shall describe each of the following:

4 1. The expenses of the commission, utilities, and program administrators
5 contracted under sub. (2) (a) 1. in administering or participating in the programs
6 under sub. (2) (a) 1.

7 2. The effectiveness of the programs specified in par. (b) 1. and sub. (7) in
8 reducing demand for electricity and increasing the use of renewable resources owned
9 by customers or members.

10 3. The results of audits under par. (d).

11 4. Any other information required by the commission.

12 (f) *Rules.* The commission shall promulgate rules to establish all of the
13 following:

14 1. Procedures for energy utilities to collectively contract with program
15 administrators for administration of statewide programs under sub. (2) (a) 1.

16 2. Procedures and criteria for commission review and approval of contracts for
17 administration of statewide programs under sub. (2) (a) 1., including criteria for the
18 selection of program administrators under sub. (2) (a) 1.

19 3. Procedures and criteria for commission review and approval of
20 utility-administered programs under sub. (2) (b) 1. and 2. and requests under sub.
21 (2) (b) 3.

22 4. Minimum requirements for energy efficiency and renewable resource
23 programs under sub. (2) (a) 1. and (b) 1. and 2.

24 (4) DISCRIMINATION PROHIBITED; COMPETITION. (a) In implementing programs
25 under sub. (2) (a) 1. or (b) 1. or 2., including the awarding of grants or contracts, an

1 energy utility or utility affiliate, a person who contracts with the utilities under sub.
2 (2) (a) 1., or a person who subcontracts with such a person:

3 1. May not discriminate against an energy utility or its affiliate or a wholesale
4 supplier or its affiliate solely on the basis of its status as an energy utility or its
5 affiliate or wholesale supplier or its affiliate.

6 2. Shall provide services to utility customers on a nondiscriminatory basis and
7 subject to a customer's choice.

8 (b) An energy utility that provides financing under an energy efficiency
9 program under sub. (2) (b) 1. or 2. for installation, by a customer, of energy efficiency
10 processes, equipment, or appliances, or an affiliate of such a utility, may not sell to
11 or install for the customer those processes, equipment, appliances, or related
12 materials. The customer shall acquire the installation of the processes, equipment,
13 appliances, or related materials from an independent contractor of the customer's
14 choice.

or renewable resource

****NOTE: Is it okay to limit the above to energy efficiency processes, and not also refer to renewable resources?

15 (5) COST RECOVERY; EQUITABLE DISTRIBUTION. (a) The commission shall ensure
16 in rate-making orders that an energy utility recovers from its ratepayers the
17 amounts the energy utility is required to spend under sub. (3) (b) 5. The commission
18 may prescribe the accounting treatment of energy utility expenditures, including the
19 use of any escrow accounting.

(2)(a) 1. or

(INSEPT 23-17)

required under this section

20 (b) The commission shall ensure that the cost of energy efficiency and
21 renewable resource programs is equitably divided among ~~energy utilities and~~
22 customer classes so that similarly situated ratepayers contribute equivalent
23 amounts for the programs.

(b) letter

administered or funded by the energy utility

gd
1 (c) The commission shall ensure that customers throughout the state have an
2 equivalent opportunity to receive the benefits of the programs under sub. (2) (a) 1.
3 and (b) 1. The commission shall ensure that statewide programs are designed to
4 ensure that retail customers in areas not served by programs under sub. (2) (b) 1.
5 receive equivalent opportunities as those in areas served by programs under sub. (2)
6 (b) 1.

****NOTE: Is it okay to refer to programs under sub. (2) (b) 1., but not to programs under sub. (2) (b) 2. or the ordered programs referenced in sub. (2) (b) 3.?

7 (6) ~~ENERGY UTILITY BILLS; ANNUAL STATEMENTS~~ An energy utility shall provide
8 customers with an annual statement that describes the applicable programs
9 specified in sub. (3) (b) 1. and presents cost and benefit information for those
10 programs.

****NOTE: Programs under sub. (2) (b) 2. are not included in the reference to sub. (3) (b) 1. As a result, they don't need to be described. Is that okay?

****NOTE: What programs are "applicable" programs? Can this be clarified?

11 (7) MUNICIPAL UTILITIES AND RETAIL ELECTRIC COOPERATIVES. (a) Requirement to
12 charge fees. 1. Each retail electric cooperative and municipal utility shall charge a
13 monthly fee to each customer or member in an amount that is sufficient for the retail
14 electric cooperative or municipal utility to collect an annual average of \$8 per meter.
15 A retail electric cooperative or municipal utility may determine the amount that a
16 particular class of customers or members is required to pay under this subdivision
17 and may charge different fees to different classes of customers or members.

18 2. Notwithstanding subd. 1., for the period beginning on October 29, 1999, and
19 ending on June 30, 2008, the total increase in a customer's or member's ^{monthly} electric bills
20 that is based on the requirement ~~to pay public benefits fees for programs other than~~ bill
21 ~~for low income assistance under s. 16.957 (5) (a), 2003 stats., and to pay fees under~~
22 subd. 1., including any increase resulting from a retail electric cooperative's or

1 municipal utility's compliance with this section, may not exceed 1.5 percent of the
2 total of every other charge for which the member or customer is billed for that period
3 or \$375 per month, whichever is less. *INSERT 25-3 ✓*

****NOTE: See the NOTE following the amendment of s. 16.957 (5) (am).*

4 (b) *Commitment to community programs.* 1. Except as provided in subd. 2.,
5 each retail electric cooperative and municipal utility shall spend the fees that it
6 charges under par. (a) on commitment to community programs. A commitment to
7 community program shall meet the program requirements under sub. (2) (a) 2. and
8 comply with the rules promulgated under sub. (3) (f) 4.

9 2. No later than October 1, 2007, and no later than every 3rd year after that
10 date, each municipal utility or retail electric cooperative shall notify the commission
11 whether it has elected to contribute *all or part* of the fees that it charges under par.

12 (a) to statewide programs established under sub. (2) (a) 1. in each fiscal year of the
13 3-year period for which it has made the election. *A municipal utility or retail electric*
14 *cooperative that makes an election under this subdivision shall spend that portion*
15 *of the fees that it charges under par. (a) that it does not contribute to statewide*
16 *programs under sub. (2) (a) 1. on commitment to community programs.*

****NOTE: I changed 2006 to 2007.*

****NOTE: The above allows a municipal utility or retail electric cooperative to*
spend all or part of the fees on its own non-low-income commitment to community
programs. However, proposed s. 16.957 (5) (b) requires spending all or none of the
low-income assistance fees on low-income commitment to community programs. Is that
okay?

17 (c) *Wholesale supplier credit.* If a wholesale supplier has established an energy
18 efficiency or load management program, a municipal utility or retail electric
19 cooperative that is a customer or member of the wholesale supplier may include an
20 amount equal to the product of the municipal utility's or retail electric cooperative's
21 wholesale supply percentage and the amount that the wholesale supplier has spent

1 on energy efficiency or load management programs in a fiscal year in calculating the
2 amount that the municipal utility or retail electric cooperative has spent on
3 commitment to community programs under par. (b).

4 (d) *Joint programs.* Municipal utilities or retail electric cooperatives may
5 establish joint commitment to community programs, except that each municipal
6 utility or retail electric cooperative that participates in a joint program shall comply
7 with the spending requirements under par. (b).

8 (e) *Reports.* 1. For each fiscal year, each municipal utility and retail electric
9 cooperative that spends ~~any portion of~~ the fee that it charges under par. (a) for
10 commitment to community programs under par. (b) shall provide for an independent
11 audit of its programs and submit a report to the commission that describes all of the
12 following:

13 a. An accounting of fees charged to customers or members under par. (a) in the
14 fiscal year and expenditures on commitment to community programs under par. (b),
15 including any amounts included in the municipal utility's or retail electric
16 cooperative's calculations under par. (c).

17 b. A description of commitment to community programs established by the
18 municipal utility or retail electric cooperative in the fiscal year.

19 c. The effectiveness of the commitment to community programs in reducing
20 demand for electricity by customers or members.

21 d. The results of audits under this subdivision.

22 e. Any other information required by the commission.

23 ~~3~~ The commission shall maintain reports filed under subd. 1. for at least 6
24 years.

INSERT 26-22 ✓

(2)(a) 1. or
 1 (8) COMPLIANCE. An energy utility that spends the full amount ^{required} ~~determined for~~
 2 ~~it~~ under sub. (3) (b) ² ~~3~~ in any year is considered to have satisfied its requirements
 3 under this section for energy efficiency and renewable resource programs for that
 4 year.

5 SECTION 52. 285.48 (4) (a) of the statutes is amended to read:

6 285.48 (4) (a) The use of renewable energy, including renewable energy that
 7 is provided by electric providers for the purpose of complying with the requirements
 8 of s. 196.378 (2) (a), or renewable energy that is used under programs ~~specified in s.~~
 9 ~~196.374 (2) (d) that are funded by expenditures~~ under s. 196.374 (3).

***NOTE: The reference to s. 196.374 probably needs more attention. Let me know
 what you think.

10 SECTION 53. 285.48 (4) (b) of the statutes is amended to read:

11 285.48 (4) (b) The implementation of low-income weatherization and energy
 12 conservation measures, including programs established under s. 16.957 (2) (a) or (b)
 13 or programs ~~specified in s. 196.374 (2) (a) or (b) that are funded by expenditures~~
 14 under s. 196.374 (3).

***NOTE: See the NOTE above regarding the reference to s. 196.374.

15 SECTION 54. Nonstatutory provisions.

16 (1) INITIAL CONTRACTS. To promote administrative efficiency and build on
 17 existing, successful programs, the public service commission shall direct energy
 18 utilities, as defined in section 196.374 (1) (e) of the statutes, as affected by this act,
 19 to negotiate initial contracts under section 196.374 (2) (a) 1. of the statutes, as
 20 affected by this act, with the holders of current contracts under section 16.957 (3) (b),
 21 2003 stats., to the extent that the programs administered by those contract holders
 22 are functioning effectively and accomplishing most or all of the goals set for them.

2005-2006 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-4303/P3ins
MDK:.....

1 **INSERT 2-14:**

2 **SECTION 1.** 16.957 (1) (o) 2. of the statutes is amended to read:

3 16.957 (1) (o) 2. The total amount expended by utilities under s. 196.374, 2003
4 stats., related to low-income assistance.

5 History: 1999 a. 9; 2001 a. 16, 30; 2003 a. 33.

5 **INSERT 3-3:**

6 **SECTION 2.** 16.957 (2) (a) 2. of the statutes is amended to read:

7 16.957 (2) (a) 2. All moneys spent in a fiscal year for low-income programs
8 established under s. 196.374, 2003 stats. plain

9 History: 1999 a. 9; 2001 a. 16, 30; 2003 a. 33.

9 **INSERT 5-21:**

10 **SECTION 3.** 16.957 (4) (c) 1. c. of the statutes is amended to read:

11 16.957 (4) (c) 1. c. The total amount spent on programs ~~or contributed to the~~
12 ~~commission~~ by utilities under s. 196.374 (3), 2003 stats., for that fiscal year for
13 low-income assistance.

14 History: 1999 a. 9; 2001 a. 16, 30; 2003 a. 33.

14 **INSERT 6-5:**

15 To reflect changes in the consumer price index for all urban consumers, U.S. city
16 average, as determined by the U.S. department of labor, the commission shall make
17 annual adjustments to the amount of \$750.

18 **INSERT 6-24:**

19 To reflect changes in the consumer price index for all urban consumers, U.S. city
20 average, as determined by the U.S. department of labor, the commission shall make
21 annual adjustments to the amount of \$375.

22 **INSERT 14-16:**



INS 14-16

1 ~~AB~~ energy by a customer or member of an energy utility, municipal utility, or retail
2 electric cooperative ~~AB~~

3 **INSERT 14-20:**

4 ~~AB~~ retail electric cooperative, or municipal electric company, as defined in s. 66.0825 (3)
5 (d), ~~AB~~

6 **INSERT 16-21:**

7 ~~AB~~ and (3) (b) 2., the commission shall require each energy utility to spend 1.5% of its
8 annual operating revenues to fund statewide energy efficiency and renewable
9 resource programs. ✓

10 **INSERT 19-17:**

11 ~~Q~~ 2. Subject to approval under subd. 3., the commission may require each energy
12 utility to spend more than 1.5% of its annual operating revenues to fund statewide
13 energy efficiency and renewable resource programs. The commission may make
14 such a requirement based on the commission's consideration of any of the following:

15 **INSERT 20-19:**

16 ~~Q~~ 3. The commission shall submit to the joint committee on finance any proposal
17 to require each energy utility spend more than 1.5% of its annual operating revenues
18 to fund statewide energy efficiency and renewable resource programs. If the
19 cochairpersons of the committee do not notify the commission within 10 working
20 days after the commission submits such a proposal that the committee has scheduled
21 a meeting to review the proposal, the commission may require each energy utility to
22 spend the percentage specified in the proposal. If, within 10 working days after the
23 commission submits a proposal, the cochairpersons of the committee notify the
24 commission that the committee has scheduled a meeting to review the proposal, the
25 commission may require each energy utility to spend more than 1.5% of its annual



1 operating revenues to fund statewide energy efficiency and renewable resource
2 programs only upon the approval of the committee. ✓

3 **INSERT 23-17:**

4 ~~426~~ , except that the commission shall ensure that the total increase in a ratepayer's
5 monthly electric bill that is based on such required spending does not exceed 3% of
6 the total of every other charge for which the ratepayer is billed for that month or
7 \$750, ✓ whichever is less. To reflect changes in the consumer price index for all urban
8 consumers, U.S. city average, as determined by the U.S. department of labor, the
9 commission shall make annual adjustments to the amount of \$750.

10 **INSERT 25-3:**

11 ~~426~~ To reflect changes in the consumer price index for all urban consumers, U.S. city
12 average, as determined by the U.S. department of labor, the commission shall make
13 annual adjustments to the amount of \$375. ✓

14 **INSERT 26-22:**

15 ~~Q~~ 2. The department shall require that municipal utilities and retail electric
16 cooperatives file reports under subd. 1. ✓ electronically, in a format that allows for
17 tabulation, comparison, and other analysis of the reports.

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-4303/P3dn

MDK: a:...

Jld

Sen. Cowles:

This version requires energy utilities to spend 1.5% of annual revenues on programs (or, with joint finance approval, more than 1.5%), but also limits monthly increases on individual ratepayers' bills to 3% of charges under the bill, or \$750, whichever is less. Is it possible for these 2 requirements to conflict? For example, can an energy utility be required to spend more than it can pass on to ratepayers in monthly bill increases? If a conflict is possible, should the draft address how the conflict should be resolved?

Mark D. Kunkel
Senior Legislative Attorney
Phone: (608) 266-0131
E-mail: mark.kunkel@legis.state.wi.us

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-4303/P3dn
MDK:jld:jf

January 30, 2006

Sen. Cowles:

This version requires energy utilities to spend 1.5 percent of annual revenues on programs (or, with joint finance approval, more than 1.5 percent), but also limits monthly increases on individual ratepayers' bills to 3 percent of charges under the bill, or \$750, whichever is less. Is it possible for these 2 requirements to conflict? For example, can an energy utility be required to spend more than it can pass on to ratepayers in monthly bill increases? If a conflict is possible, should the draft address how the conflict should be resolved?

Mark D. Kunkel
Senior Legislative Attorney
Phone: (608) 266-0131
E-mail: mark.kunkel@legis.state.wi.us

Kunkel, Mark

From: Lovell, David
Sent: Wednesday, February 01, 2006 3:37 PM
To: Kunkel, Mark
Cc: Stolzenberg, John; Stuart, Todd
Subject: Changes to LRB-4303/P3

Attachments: changes to LRB-4303-P3 (2).doc

Mark,

Here is the second set of "change orders".

I am assuming that you plan to combine the drafts into a substitute amendment -- let us know if you plan otherwise. That will go out to the many interested parties and will inevitably generate more changes. We may have a few further refinements to add at that time, too.

Thanks for your hard work on this.

David

David L. Lovell, Senior Analyst
Wisconsin Legislative Council Staff
608/266-1537



changes to
RB-4303-P3 (2).doc.

Changes to LRB-4303/P3

1. Page 2, line 6 and page 14, line 16: Insert after "by" "or on behalf of" to account for commitment to community programs run by a wholesale electric cooperative or municipal electric company on behalf of its members.
2. Page 3, line 2: Substitute "~~are~~ were" for "are".
3. Page 9, lines 17 and 18: Change the title to reflect the treatment of this paragraph, such as to "Transfer to the air quality improvement fund".
4. Page 12, line 19: Substitute "including ~~advance plan~~ strategic energy assessment," for "~~including advance plan~~,".
5. Page 13, line 19: Substitute ", 196.491 (3), or 196.80" for "or 196.491 (3)" to parallel the text on page 12, lines 23 and 24, and page 13, line 10.
6. Page 15, line 17: Substitute "is in effect on" for "before".
7. Page 16, line 12: Substitute "a person" for "an energy utility".
8. Page 16, line 24: Insert "sub." before "(3)".
9. Page 17, line 9: Insert "and local units of government" after "users".
10. Page 17, line 17: Insert ", institutional," after "commercial".
11. Page 18, line 4: Should "is" be "are"? Or should "programs" be "program"? - *ok as is*
12. Page 18: My (DLL) original drafting of 196.374 (2) (b) on this page is verbose and repetitive. To make it easier to read, I suggest the following:

- Lines 8-12: delete the 3rd and 4th sentences of subd. 1.
- Lines 14-15: replace those lines with the following (worded to parallel subd. 1.):
"An energy utility may, with commission approval, administer ~~and~~ fund an energy efficiency or renewable or"
- Lines 17-21: delete the 2nd and 3rd sentences of subd. 2. and substitute (worded to parallel subd. 1.): "The commission may not order an energy utility to administer or fund a program under this subdivision.
- Line 22: delete "conducts" and substitute "administers".
- Line 22: after "funds", insert "a program under subd. 1. or 2. or".
- Lines 24 and 25: before "ordered program" insert "program under subd. 1. or 2. or".

13. Page 19, line 5: Insert "renewable resource program under s. 196.378," before "and".

14. Page 19, lines 11 to 14: convert the elements on these lines to separate criteria for programs that should receive priority by substituting ", facilitate" for "by facilitating" on line 11, substituting "promote" for "promoting" on line 12, substituting "avoid" for "avoiding" on line 13, and substituting "promote" for "promoting" on line 14.

15. Page 19, lines 15 to 17: Consolidate provisions on the amounts utilities must spend on programs under s. 196.374 to specify the amount of the percentage in only one provision and to change the percentage from 1.5 to 1.2 percent by substituting for these lines:

"2. The commission shall require each energy utility to spend 1.2 percent of its annual operating revenues to fund the utility's programs under sub. (2) (b) 1., the utility's ordered programs, and the utility's share of the statewide energy efficiency and renewable resource programs under sub. (2) (a) 1. Subject to approval under subd. 3., the commission may require each energy utility to spend a larger percentage of its annual operating revenues to fund these programs. The commission may".

Additional changes in the draft to implement this item include:

• Page 16, line 23: delete the sentence beginning on that line and ending on page 17, line 2 and substitute "An energy utility shall pay for a portion of the programs under this subdivision with a portion of the amount required under sub. (3) (b) 2."

• Page 18, line 7: delete "par. (a) 1. or". *(check other X-refs)*

• Page 20, line 13 and 14: delete those lines and substitute "to require each energy utility to spend a larger percentage of its annual operating revenues than the percentage specified in subd. 2. (intro.) to fund the programs specified in subd. 2. (intro.). If".

• Page 20, lines 21 to 23: substitute "a larger percentage of its annual operating revenues to fund these programs" for "more than 1.5 percent of its annual operating revenues to fund statewide energy efficiency and renewable resource programs".

• Page 23, line 12: Delete "(2) (a) 1. or".

• Page 26, line 19: Delete "(2) (a) 1. or".

16. Page 19, line 18: Substitute "all" for "any".

17. Page 22, line 9: after the period, insert "and to receive contributions from municipal electric utilities and retail electric cooperatives under sub. (7) (b) 2." [Mark, the second piece of this is in comment 19, below.]

18. Page 24, line 9: Insert "and ordered programs" before "administered".

pay for a portion?

19. Page 25, line 10: After the period insert language on what a retail electric cooperative or municipal utility should do if it opts into the statewide programs that is comparable to the language on page 7, line 22 to page 8, line 2. Possible text: "If a municipal utility or retail electric cooperative elects to contribute to the statewide programs established under sub. (2) (a) 1., the utility or cooperative shall contribute the fees that it collects under par. (a) to the payment of contracts under sub. (2) (a) 1. for administration of the statewide programs, as specified in the rules under sub. (3) (f) 1., in each year of the three-year period for which the utility or cooperative has made the election."

20. Page 27, line 13: After that line insert text to the effect of:

"(2) CORN-BURNING FURNACE PILOT PROGRAM. The department of administration shall conduct a pilot program under section 16.957 (2) (b) 1. b. of the statutes during the winter heating season between November 1, 2006 and March 1, 2007 to determine the feasibility and cost-effectiveness of the use of residential space heating equipment in this state that is fueled by biomass, as defined in section 196.378(1) (a) of the statutes, from corn plants. The department of administration shall report to the legislature the results the pilot program in the report required under section 16.957 (2) (d) 4. of the statutes.

Compiled for Senator Robert Cowles
By John Stolzenberg and David Lovell, Legislative Council
February 1, 2006