

1999 DRAFTING REQUEST**Assembly Amendment (AA-AB(LRBx3200/4))**Received: **06/15/99**Received By: **kunkemd**Wanted: **Today**

Identical to LRB:

For: **Tim Hoven (608) 267-2369**By/Representing: **Michael**This file may be shown to any legislator: **NO**Drafter: **kunkemd**May Contact: **John Stolzenberg**

Alt. Drafters:

Subject: **Public Util. - misc.**

Extra Copies:

Pre Topic:

No specific pre topic given

Topic:

Public benefits spending levels

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/1	kunkemd 06/15/99	wjackson 06/15/99	martykr 06/15/99	_____	lrb_docadmin 06/15/99	lrb_docadmin 06/15/99	

FE Sent For:

<END>

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1?	kunkemd	1 WLj 6/15	Km/15	JF 6 6/21/99			

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1999 - 2000 Legislature

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LRB-3150/2
MDK:kmg:jf

BILL
Hoven Amdt.

X - means delete / No changes to 196.324

Post-it® Fax Note	7671	Date	6/15	# of pages	12
To	Marie Kunkel	From	John Stolzenberg		
Co./Dept.	LRA	Co.	Leg. Council		
Phone #		Phone #	6-2988		
Fax #	4-6948	Fax #			

certain reductions in nitrogen oxide specified counties.
committee on tax exemptions for a appendix to this bill.
local fiscal estimate, which will be

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

1 SECTION 1. 15.107 (17) of the statutes is created to read:

OK

2 15.107 (17) COUNCIL ON UTILITY PUBLIC BENEFITS. There is created a council on
3 utility public benefits that is attached to the department of administration under s.
4 15.03. The council shall consist of the following members appointed for 3-year
5 terms:

- 6 (a) Two members appointed by the governor.
- 7 (b) Two members appointed by the senate majority leader.
- 8 (c) One member appointed by the senate minority leader.
- 9 (d) Two members appointed by the speaker of the assembly.
- 10 (e) One member appointed by the assembly minority leader.
- 11 (f) One member appointed by the secretary of natural resources.
- 12 (g) One member appointed by the secretary of administration.
- 13 (h) One member appointed by the chairperson of the public service commission.

14 SECTION 2. 16.957 of the statutes is created to read:

15 16.957 Utility public benefits. (1) DEFINITIONS. In this section:

- 16 (bm) "Commission" means the public service commission.
- 17 (c) "Commitment to community program" means a program by a municipal
18 utility or retail electric cooperative for low-income assistance or an energy
19 conservation program by a municipal utility or retail electric cooperative.

Delete

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1 average annual income of low-income households in this state in that fiscal year
2 multiplied by the estimated number of low-income households in this state in that
3 fiscal year.

4 (o) "Low-income need percentage" means the percentage that results from
5 dividing the sum of the following by the amount of low-income need in fiscal year
6 1998-99:

7 1. The total amount received by the department for low-income funding under
8 42 USC 6861 to 6873 and 42 USC 8621 to 8629 in fiscal year 1997-98.

9 ~~1m. The public benefits fees established for fiscal year 1999-2000 under sub.~~
10 ~~(4) (c) 1.~~

11 2. The total amount expended by utilities under s. 196.374^{en low-income programs}.

12 3. Fifty percent of the public benefits fees established for fiscal year 1999-2000
13 that are charged by municipal utilities and retail electric cooperatives.

14 (p) "Low-income need target" means the product of the low-income need
15 percentage multiplied by low-income need in a fiscal year.

16 (q) "Municipal utility" means an electric utility that is owned wholly by a
17 municipality and that owns a retail distribution system.

18 (qm) "Public utility" has the meaning given in s. 196.01 (5).

19 (r) "Renewable resource" has the meaning given in s. 196.378 (1) (g).

20 (s) "Retail capacity" means the total amount of electricity that an electric
21 provider is capable of delivering to its retail customers and that is supplied by electric
22 generating facilities owned or operated by the electric provider or any other person.

23 "Retail capacity" does not include any electricity that is not used to satisfy the electric
24 provider's retail load obligations.

Need
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SECTION 2

BILL

deposited in the fund
utility public benefits

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2. All moneys ~~spent~~ ^{deposited in the fund} in a fiscal year for low-income programs established under s. 196.374 (3)

~~3. All moneys spent in a fiscal year on programs established under this paragraph~~

4. Fifty percent of the moneys collected in public benefits fees under sub. (5).

(b) *Energy conservation and efficiency and renewable resource programs.* 1. Subject to subd. 2., after holding a hearing, establish programs for awarding grants from the appropriation under s. 20.505 (10) (s) for each of the following:

a. Proposals for providing energy conservation or efficiency services. In awarding grants under this subd. 1. a., the department shall give priority to proposals directed at the sectors of energy conservation or efficiency markets that are least competitive and at promoting environmental protection, electric system reliability or rural economic development. In each fiscal year, 1.75% of the appropriation under s. 20.505 (10) (s) shall be awarded in grants for research and development proposals regarding the environmental impacts of the electric industry.

b. Proposals for encouraging the development or use of customer applications of renewable resources, including educating customers about renewable resources or encouraging uses of renewable resources by customers or encouraging research technology transfers. In each fiscal year, the department shall ensure that 4.5% of the appropriation under s. 20.505 (10) (s) is awarded in grants under this subd. 1. b.

2. For each fiscal year after fiscal year 2003-04, determine whether to continue, discontinue or reduce any of the programs established under subd. 1. and determine the total amount necessary to fund the programs that the department determines to continue or reduce under this subdivision. The department shall notify the commission if the department determines under this subdivision to reduce funding.

BILL

1 (c) *Rules.* Promulgate rules establishing all of the following:

2 1. Eligibility requirements for low-income assistance under programs
3 established under par. (a). The rules shall prohibit a person who receives
4 ~~low-income assistance~~ ^{Electric Service} from a municipal utility or retail electric cooperative ~~under~~
5 ~~a program specified in sub. (5) (d) 2 b. or 3 a.~~ from receiving low-income assistance
6 under programs established under par. (a).

7 2. Requirements and procedures for applications for grants awarded under
8 programs established under par. (a) or (b) 1.

9 2m. Criteria for the selection of proposals by the corporation specified in sub.
10 (3) (b).

11 2n. Criteria for making the determination under par. (b) 2. Rules promulgated
12 under this subdivision shall require the department to determine whether the need
13 for a program established under par. (b) 1. is satisfied by the private sector market
14 and, if so, whether the program should be discontinued or reduced.

15 4. Requirements for electric utilities ^{other than municipal utilities,} to allow customers to include voluntary
16 contributions to assist in funding a ~~commitment to community program~~ of a program
17 established under par. (a) or (b) 1. with bill payments for electric service. The rules
18 may require an electric utility to provide a space on an electric bill in which a
19 customer may indicate the amount of a voluntary contribution and the customer's
20 preference regarding whether a contribution should be used for a program
21 established under par. (a) or (b) 1. a. or b. The rules shall establish requirements and
22 procedures for electric utilities to pay to the department any voluntary contributions
23 included with bill payments and to report to the department customer preferences
24 regarding use of the contributions. The department shall deposit all contributions
25 received under this paragraph in the utility public benefits fund.

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SECTION 2**BILL**

1 5. A method for estimating total low-income energy bills, average annual
2 income of low-income households and the number of low-income households in a
3 fiscal year for the purpose of determining the amount of low-income need in the fiscal
4 year.

5 (d) *Other duties.* 1. For each fiscal year after fiscal year 1998-99, determine
6 the low-income need target for that fiscal year. *and report the target to the joint
committee on finance.*

7 2. Encourage customers to make voluntary contributions to assist in funding
8 the programs established under pars. (a) and (b) 1. The department shall deposit all
9 contributions received under this paragraph in the utility public benefits fund.

10 ~~3. Deposit all moneys received under sub. (4) (a) or (5) (c) or (d) in the utility~~
11 ~~public benefits fund.~~

12 4. Conduct an annual independent audit and submit an annual report to the
13 legislature under s. 13.172 (2) that describes each of the following:

14 a. The expenses of the department, other state agencies and grant recipients
15 in administering or participating in the programs under pars. (a) and (b).

16 b. The effectiveness of the programs under par. (a) in providing assistance to
17 low-income individuals.

18 c. The effectiveness of the programs under par. (b) in reducing demand for
19 electricity and increasing the use of customer-owned renewable resources.

20 d. Any other issue identified by the governor, speaker of the assembly or
21 majority leader of the senate.

22 (3) **CONTRACTS.** (a) The division of housing shall, on the basis of competitive
23 bids, contract with community action agencies described in s. 46.30 (2) (a) 1.,
24 nonstock, nonprofit corporations organized under ch. 181 or local units of
25 government to provide services under the programs established under sub. (2) (a).

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SECTION 2

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1 (b) The department shall, on the basis of competitive bids, contract with a
2 nonstock, nonprofit corporation organized under ch. 181 to administer the programs
3 established under sub. (2) (b) 1., including soliciting proposals, processing grant
4 applications, selecting, based on criteria specified in rules promulgated under sub.
5 (2) (c) 2m., proposals for the department to make awards and distributing grants to
6 recipients.

7 (c) In selecting proposals and awarding grants under sub. (2) (b), the
8 department or the nonprofit corporation specified in par. (b) may not discriminate
9 against an electric provider or its affiliate or a wholesale electric supplier or its
10 affiliate solely on the basis of its status as an electric provider, wholesale electric
11 supplier or affiliate.

12 ~~(4) ELECTRIC UTILITIES. (a) Requirement to charge public benefits fees. Each~~
13 ~~electric utility, except for a municipal utility, shall charge each customer a public~~
14 ~~benefits fee in an amount established in rules promulgated by the department under~~
15 ~~par. (b). An electric utility, except for a municipal utility, shall collect and pay the fees~~
16 ~~to the department in accordance with the rules promulgated under par. (b).~~

17 ~~(am) Electric bills. An electric utility shall include a public benefits fee in a~~
18 ~~customer's bill and shall provide the customer with an annual statement that~~
19 ~~identifies the annual charges for public benefits fees and describes the programs for~~
20 ~~which fees are used.~~

21 ~~(b) Rules. In consultation with the council, the department shall promulgate~~
22 ~~rules that establish the amount of a public benefits fee under par. (a). Fees~~
23 ~~established in rules under this paragraph may vary by class of customer, but shall~~
24 ~~be uniform within each class, and shall satisfy each of the following:~~

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SECTION 2**BILL**

1 1. The fees may not be based on the kilowatt-hour consumption of electricity
2 by customers.

3 2. No more than 70% of the total amount of fees charged by an electric provider
4 may be charged to residential customers and no more than 30% of the total may be
5 charged to nonresidential customers.

6 3. The fees shall allow an electric provider to recover the reasonable and
7 prudent expenses incurred by the electric provider in complying with this section.

8 (c) *Amount of public benefits fees.* A fee established in rules promulgated under
9 par. (b) shall satisfy each of the following:

10 1. 'Low-income funding.' In fiscal year 1999-2000, a portion of the public
11 benefits fee shall be an amount that, when added to 50% of the estimated public
12 benefits fees charged by municipal utilities and retail electric cooperatives under
13 sub. (5) (a) for that fiscal year, shall equal \$27,000,000. In each fiscal year after fiscal
14 year 1999-2000, a portion of the public benefits fee shall be an amount that, when
15 added to the sum of the following shall equal the low-income need target for that
16 fiscal year determined by the department under sub. (2) (d) 1.:

17 a. Fifty percent of the estimated public benefits fees charged by municipal
18 utilities and retail electric cooperatives under sub. (5) (a) for that fiscal year.

19 b. All moneys received under 42 USC 6861 to 6873 and 42 USC 8621 to 8629
20 for that fiscal year.

21 c. The total amount spent on programs or contributed to the commission by
22 utilities under s. 196.374 (3) for that fiscal year.

23 2. 'Energy conservation and efficiency and renewable resource funding.' For
24 fiscal year 1999-2000, a portion of the public benefits fee shall be in an amount that,
25 when added to 50% of the estimated public benefits fees charged by municipal

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1 utilities and retail electric cooperatives under sub. (5) (a) for that fiscal year, shall
2 equal \$20,000,000. In each fiscal year after fiscal year 1999-2000, a portion of the
3 public benefits fee shall be the amount determined under this subdivision for fiscal
4 year 1999-2000, except that if the department determines to reduce or discontinue
5 a program under sub. (2) (b) 2., the department shall reduce the amount accordingly.

6 3. 'Limitation on electric bill increases.' For the period beginning on the
7 effective date of this subdivision [revisor inserts date], and ending on June 30,
8 2008, the total increase in a customer's electric bills that is based on the requirement
9 to pay public benefits fees, including any increase resulting from an electric utility's
10 compliance with this section, may not exceed 3% of the total of every other charge for
11 which the customer is billed for that period or \$750 per month, whichever is less.

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

20 (am) *Public benefits fee restriction.* Notwithstanding par. (a), for the period
21 beginning on the effective date of this paragraph [revisor inserts date], and ending
22 on June 30, 2008, the total increase in a customer's or member's electric bills that is
23 based on the requirement to pay public benefits fees, including any increase
24 resulting from a retail electric cooperative's or municipal utility's compliance with

BILL

1 this section, may not exceed 3% of the total of every other charge for which the
2 member or customer is billed for that period or \$750 per month, whichever is less.

3 (b) *Election to contribute to department programs.* 1. No later than the first
4 day of the 12th month beginning after the effective date of this subdivision
5 [revisor inserts date], each municipal utility or retail electric cooperative shall notify
6 the department whether it has elected to contribute to the programs established
7 under sub. (2) (a) or (b) 1. for a 3-year period.

8 2. No later than every 3rd year after the date specified in subd. 1., each
9 municipal utility or retail electric cooperative shall notify the department whether
10 it has elected to contribute to the programs established under sub. (2) (a) or (b) 1. for
11 a 3-year period.

12 (c) *Full contribution.* If a municipal utility or retail electric cooperative elects
13 under par. (b) 1. or 2. to contribute to the programs established both under sub. (2)
14 (a) and under sub. (2) (b) 1., it shall pay 100% of the public benefits fees that it charges
15 under par. (a) to the department in each fiscal year of the 3-year period for which it
16 has made the election.

17 (d) *Partial contributions and commitment to community spending.* A
18 municipal utility or retail electric cooperative not specified in par. (c) shall do one of
19 the following:

20 1. If the municipal utility or retail electric cooperative elects to contribute only
21 to the programs established under sub. (2) (a), the municipal utility or retail electric
22 cooperative shall, in each fiscal year of the 3-year period for which it elects to
23 contribute under par. (b) 1. or 2., do all of the following:

24 a. Pay no less than 50% of the public benefits fees that it charges under par.
25 (a) to the department.

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1 b. Spend no less than 50% of the public benefits fees that it charges under par.
2 (a) on energy conservation programs.

3 2. If the municipal utility or retail electric cooperative elects to contribute only
4 to the programs established under sub. (2) (b) 1., the municipal utility or retail
5 electric cooperative shall, in each fiscal year of the 3-year period for which it elects
6 to contribute under par. (b) 1. or 2., do all of the following:

7 a. Pay 50% of the public benefits fees that it charges under par. (a) to the
8 department.

9 b. Spend no less than 50% of the public benefits fees that it charges under par.
10 (a) on programs for low-income assistance.

11 3. If the municipal utility or retail electric cooperative elects not to contribute
12 to any of the programs established under sub. (2) (a) or (b) 1., the municipal utility
13 or retail electric cooperative shall, in each fiscal year of the 3-year period for which
14 it elects not to contribute under par. (b) 1. or 2., do all of the following:

15 a. Spend no less than 50% of the public benefits fees that it charges under par.
16 (a) on programs for low-income assistance.

17 b. Spend no less than 50% of the public benefits fees that it charges under par.
18 (a) on energy conservation programs.

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

23 1. Include an amount equal to the product of the municipal utility's or retail
24 electric cooperative's wholesale supply percentage and the amount that the
25 wholesale supplier has spent on low-income assistance in a fiscal year in calculating

BILL

1 the amount that the municipal utility or retail electric cooperative has spent on
2 low-income assistance in that fiscal year under par. (d) 2. b. or 3. a.

3 2. Include an amount equal to the product of the municipal utility's or retail
4 electric cooperative's wholesale supply percentage and the amount that the
5 wholesale supplier has spent on energy conservation programs or customer
6 applications of renewable resources in a fiscal year in calculating the amount that
7 the municipal utility or retail electric cooperative has spent on energy conservation
8 programs under par. (d) 1. b. or 3. b.

9 (f) *Joint programs.* Municipal utilities or retail electric cooperatives may
10 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).

13 (g) *Reports.* 1. For each fiscal year, each municipal utility and retail electric
14 cooperative that does not pay 100% of the public benefits fee that it charges under
15 par. (a) to the department under par. (c) shall file a report with the department that
16 describes each of the following:

17 a. An accounting of public benefits fees charged to customers or members under
18 par. (a) in the fiscal year and expenditures on commitment to community programs
19 under par. (d) including any amounts included in the municipal utility's or retail
20 electric cooperative's calculations under par. (e).

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

23 2. The department shall maintain reports filed under subd. 1. for at least 6
24 years.

25 **SECTION 3.** 16.969 of the statutes is created to read:

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1 20.505 (10) UTILITY PUBLIC BENEFITS. (q) *General program operations.* From
2 the utility public benefits fund, the amounts in the schedule for general program
3 operations.

4 (r) *Low-income assistance grants.* From the utility public benefits fund, a sum
5 sufficient for low-income assistance grants under s. 16.957 (2) (a).

6 (s) *Energy conservation and efficiency and renewable resource grants.* From the
7 utility public benefits fund, a sum sufficient for energy conservation and efficiency
8 and renewable resource grants under s. 16.957 (2) (b) 1.

9 SECTION 8. 25.17 (1) (xm) of the statutes is created to read:

10 25.17 (1) (xm) Utility public benefits fund (s. 25.96);

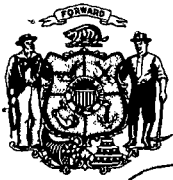
11 SECTION 9. 25.96 of the statutes is created to read:

12 **25.96 Utility public benefits fund.** There is established a separate
13 nonlapsible trust fund designated as the utility public benefits fund, consisting of
14 deposits by the public service commission under s. 196.374 (3), ~~public benefits fees~~ *Debate*

15 ~~received under s. 16.957 (4) (a) and (5) (c) and (d) and contributions received under~~
16 s. 16.957 (2) (c) 4. and (d) 2.

17 SECTION 10. 76.28 (1) (d) of the statutes is amended to read:

18 76.28 (1) (d) "Gross revenues" for a light, heat and power company other than
19 a qualified wholesale electric company or a transmission company means total
20 operating revenues as reported to the public service commission except revenues for
21 interdepartmental sales and for interdepartmental rents as reported to the public
22 service commission and deductions from the sales and use tax under s. 77.61 (4),
23 except that the company may subtract from revenues either the actual cost of power
24 purchased for resale, as reported to the public service commission, by a light, heat
25 and power company, except a municipal light, heat and power company, that



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBa0498/1

MDK:.....

Wlj

now

ASSEMBLY AMENDMENT,
TO 1999 ASSEMBLY BILL (LRB-3200/4)

1 At the locations indicated, amend the bill as follows:

2 ✓ 1. Page 8, line 1: delete lines 1 to 3.

3 ✓ 2. Page 9, line 13: delete lines 13 and 14.

4 ↓ 3. Page 9, line 15: after "196.374" insert "on low-income programs".

5 ✓ 4. Page 9, line 16: delete lines 16 and 17.

6 ✓ 5. Page 9, line 24: delete the material beginning with that line and ending with
7 page 10, line 3.

8 ✓ 6. Page 10, line 13: delete lines 13 to 15.

9 ✓ 7. Page 11, line 5: delete lines 5 and 6 and substitute:

10 "2. All moneys deposited in the utility public benefits fund in a fiscal year for
11 low-income programs under s. 196.374 (3)."

12 ✓ 8. Page 11, line 7: delete lines 7 to 9.

1 ✓ **9.** Page 12, line 9: delete lines 9 and 10 and substitute:

2 “electric service from a municipal electric or retail electric cooperative from
3 receiving low-income assistance”.

4 ✓ **10.** Page 12, line 20: after “utilities” insert “, other than municipal utilities,”.

5 ✓ **11.** Page 12, line 21: delete “in funding a commitment to community program”.

6 ✓ **12.** Page 12, line 22: delete “or a program” and substitute “a program”.

7 ✓ **13.** Page 13, line 12: after “year” insert “and report the low-income need
8 target to the joint committee on finance”.

9 ✓ **14.** Page 13, line 17: delete lines 17 and 18.

10 ✓ **15.** Page 14, line 21: delete the material beginning with that line and ending
11 with page 20, line 8.

12 ✓ **16.** Page 22, line 23: delete the material beginning with “, public benefits fees”
13 and ending with “(d)” on page 22, line 24.

14 (END)