

## 2001 ASSEMBLY BILL 545

October 10, 2001 – Introduced by Representatives HOVEN, JENSEN, ALBERS, BIES, DUFF, J. FITZGERALD, GROTHMAN, GUNDERSON, HAHN, HUNDERTMARK, JESKEWITZ, KRAWCZYK, KREIBICH, LADWIG, F. LASEE, LIPPERT, D. MEYER, MONTGOMERY, MUSSER, NASS, RHOADES, STONE, SUDER, TOWNSEND, URBAN, VRAKAS and WALKER, cosponsored by Senators HARSDORF and HUELSMAN. Referred to Committee on Energy and Utilities.

1     **AN ACT to repeal** 16.957 (1) (n), 16.957 (1) (o), 16.957 (1) (p), 16.957 (1) (u), 16.957  
 2           (2) (a) 1., 2., 3. and 4., 16.957 (2) (c) 5., 16.957 (2) (d) 1., 16.957 (4) (c) 1. a., b. and  
 3           c., 16.957 (4) (c) 2., 16.957 (5) (d) (intro.), 1. and 2., 16.957 (5) (d) 3. b. and 16.957  
 4           (5) (e) 2.; **to renumber and amend** 16.957 (2) (a) (intro.) and 16.957 (4) (c) 1.  
 5           (intro.); **to consolidate, renumber and amend** 16.957 (5) (d) 3. (intro.) and  
 6           3. a. and 16.957 (5) (e) (intro.) and 1.; and **to amend** 16.957 (1) (c), 16.957 (2)  
 7           (b) 2., 16.957 (2) (c) 1., 16.957 (2) (d) 3., 16.957 (5) (a), 16.957 (5) (b) 1., 16.957  
 8           (5) (b) 2., 16.957 (5) (c), 16.957 (5) (f), 16.957 (5) (g) 1. a., 25.96, 196.374 (3) and  
 9           196.374 (4) of the statutes; **relating to:** utility public benefits low-income  
 10          programs and energy conservation and efficiency and renewable resource  
 11          programs.

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### ***Analysis by the Legislative Reference Bureau***

Under current law, the department of administration (DOA) administers the following: 1) programs that provide assistance to low-income households for weatherization and other energy services (low-income programs); and 2) energy conservation and efficiency and renewable resource programs (other energy

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programs). There are two sources of funding for the programs: 1) monthly public benefits fees that electric utilities and cooperative associations must charge to their customers and members; and 2) annual contributions by certain gas and electric utilities.

Regarding the public benefits fees, nonmunicipal electric utilities are treated differently than municipal electric utilities and cooperative associations. Nonmunicipal utilities must charge a fee consisting of a portion for funding the low-income programs and a portion for funding the other energy programs. In fiscal year 1999–2000, the low-income portion was required to generate an amount equal to the difference between \$24,000,000 and 50% of the public benefits fees charged by municipal electric utilities and cooperative associations. In subsequent fiscal years, the low-income portion is required to generate an amount that is based, in part, on a determination of the need for low-income programs. Regarding the portion of the public benefits fee for funding the other energy programs, in fiscal year 1999–2000, that portion was required to generate an amount equal to the difference between \$20,000,000 and 50% of the public benefits fees charged by municipal electric utilities and cooperative associations. In subsequent fiscal years, DOA is allowed to reduce the amount if DOA discontinues or reduces some of the other energy programs.

Current law requires municipal electric utilities and cooperative associations to charge a public benefits fee in an amount that is sufficient to collect an annual average of \$16 per meter. Municipal utilities and cooperative associations have the option of paying the fees to DOA or establishing their own low-income and other energy programs.

This bill changes the low-income programs portion of the public benefits fees charged by nonmunicipal utilities. Under the bill, the low-income programs portion must generate in each fiscal year the amount that is required under current law in fiscal year 1999–2000. The bill also eliminates the portion of the public benefits fee charged by nonmunicipal utilities for funding the other energy programs. As a result, the funding source for the other energy programs is the annual contributions by gas and electric utilities.

In addition, the bill reduces the amount that municipal electric utilities and cooperative associations must charge in public benefits fees. Under the bill, the amount charged must be sufficient to generate an annual average of \$8 per meter. Also, the bill allows municipal utilities and cooperative associations to pay the fees to DOA or establish their own low-income programs, but eliminates the option of establishing their own other energy programs.

Finally, the bill eliminates a requirement under current law that a specified percentage of the funding for low-income programs administered by DOA must be used for weatherization and other energy conservation programs.

All of the bill's changes take effect on July 1, 2002.

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For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

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

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

2           16.957 (1) (c) “Commitment to community program” means a program by a  
3           municipal utility or retail electric cooperative, or wholesale supplier for low-income  
4           assistance ~~or an energy conservation program by a municipal utility or retail electric~~  
5           ~~cooperative.~~

6           **SECTION 2.** 16.957 (1) (n) of the statutes is repealed.

7           **SECTION 3.** 16.957 (1) (o) of the statutes is repealed.

8           **SECTION 4.** 16.957 (1) (p) of the statutes is repealed.

9           **SECTION 5.** 16.957 (1) (u) of the statutes is repealed.

10          **SECTION 6.** 16.957 (2) (a) (intro.) of the statutes, as affected by 2001 Wisconsin  
11          Act 16, is renumbered 16.957 (2) (a) and amended to read:

12          16.957 (2) (a) *Low-income programs.* After holding a hearing, establish  
13          programs to be administered by the department for awarding grants from the  
14          appropriation under s. 20.505 (3) (r) to provide low-income assistance. ~~In each fiscal~~  
15          ~~year, the amount awarded under this paragraph shall be sufficient to ensure that an~~  
16          ~~amount equal to 47% of the sum of the following is spent for weatherization and other~~  
17          ~~energy conservation services:~~

18          **SECTION 7.** 16.957 (2) (a) 1., 2., 3. and 4. of the statutes are repealed.

19          **SECTION 8.** 16.957 (2) (b) 2. of the statutes is amended to read:

20          16.957 (2) (b) 2. For each fiscal year after fiscal year 2003–04, determine  
21          whether to continue, discontinue or reduce any of the programs established under

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1 subd. 1. and determine the total amount necessary to fund the programs that the  
2 department determines to continue or reduce under this subdivision. The  
3 department shall notify the commission if If the department determines under this  
4 subdivision to reduce funding by an amount that is greater than the portion of the  
5 public benefits fee specified in sub. (4) (c) 2. The notice shall specify the portion of  
6 the reduction that exceeds the amount of public benefits fees specified in sub. (4) (c)  
7 2 the total amount necessary to fund the programs, the department shall notify the  
8 commission about the amount of the reduction.

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

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

15 **SECTION 10.** 16.957 (2) (c) 5. of the statutes is repealed.

16 **SECTION 11.** 16.957 (2) (d) 1. of the statutes is repealed.

17 **SECTION 12.** 16.957 (2) (d) 3. of the statutes is amended to read:

18 16.957 **(2)** (d) 3. Deposit all moneys received under sub. (4) (a) or (5) (c) or ~~(d)~~  
19 in the utility public benefits fund.

20 **SECTION 13.** 16.957 (4) (c) 1. (intro.) of the statutes is renumbered 16.957 (4)  
21 (c) 1. and amended to read:

22 16.957 **(4)** (c) 1. 'Low-income funding.' In each fiscal year ~~1999-2000~~, a portion  
23 of the public benefits fee shall be an amount that, when added to ~~50%~~ 100% of the  
24 estimated public benefits fees charged by municipal utilities and retail electric  
25 cooperatives under sub. (5) (a) for that fiscal year, shall equal \$24,000,000. ~~In each~~

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1 ~~fiscal year after fiscal year 1999–2000, a portion of the public benefits fee shall be an~~  
2 ~~amount that, when added to the sum of the following shall equal the low-income~~  
3 ~~need target for that fiscal year determined by the department under sub. (2) (d) 1.:~~

4 **SECTION 14.** 16.957 (4) (c) 1. a., b. and c. of the statutes are repealed.

5 **SECTION 15.** 16.957 (4) (c) 2. of the statutes is repealed.

6 **SECTION 16.** 16.957 (5) (a) of the statutes is amended to read:

7 16.957 (5) (a) *Requirement to charge public benefits fees.* Each retail electric  
8 cooperative and municipal utility shall charge a monthly public benefits fee to each  
9 customer or member in an amount that is sufficient for the retail electric cooperative  
10 or municipal utility to collect an annual average of \$16 \$8 per meter. A retail electric  
11 cooperative or municipal utility may determine the amount that a particular class  
12 of customers or members is required to pay under this paragraph and may charge  
13 different fees to different classes of customers or members.

14 **SECTION 17.** 16.957 (5) (b) 1. of the statutes is amended to read:

15 16.957 (5) (b) 1. No later than October 1, 2000, each municipal utility or retail  
16 electric cooperative shall notify the department whether it has elected to contribute  
17 to the programs established under sub. (2) (a) ~~or (b) 1.~~ for a 3-year period.

18 **SECTION 18.** 16.957 (5) (b) 2. of the statutes is amended to read:

19 16.957 (5) (b) 2. No later than every 3rd year after the date specified in subd.  
20 1., each municipal utility or retail electric cooperative shall notify the department  
21 whether it has elected to contribute to the programs established under sub. (2) (a)  
22 ~~or (b) 1.~~ for a 3-year period.

23 **SECTION 19.** 16.957 (5) (c) of the statutes is amended to read:

24 16.957 (5) (c) *Full contribution.* If a municipal utility or retail electric  
25 cooperative elects under par. (b) 1. or 2. to contribute to the programs established

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1 both under sub. (2) (a) and under sub. (2) (b) 1., it shall pay 100% of the public benefits  
2 fees that it charges under par. (a) to the department in each fiscal year of the 3-year  
3 period for which it has made the election.

4 **SECTION 20.** 16.957 (5) (d) (intro.), 1. and 2. of the statutes are repealed.

5 **SECTION 21.** 16.957 (5) (d) 3. (intro.) and 3. a. of the statutes are consolidated,  
6 renumbered 16.957 (5) (dm) and amended to read:

7 16.957 (5) (dm) Commitment to community spending. If the a municipal utility  
8 or retail electric cooperative elects not to contribute to any of the programs  
9 established under sub. (2) (a) or (b) 1., the municipal utility or retail electric  
10 cooperative shall, in each fiscal year of the 3-year period for which it elects not to  
11 contribute under par. (b) 1. or 2., do all of the following: a. Spend 50% spend 100%  
12 of the public benefits fees that it charges under par. (a) on commitment to community  
13 programs for low-income assistance.

14 **SECTION 22.** 16.957 (5) (d) 3. b. of the statutes is repealed.

15 **SECTION 23.** 16.957 (5) (e) (intro.) and 1. of the statutes are consolidated,  
16 renumbered 16.957 (5) (e) and amended to read:

17 16.957 (5) (e) Wholesale supplier credit. If a wholesale supplier has established  
18 a commitment to community program for low-income assistance or an energy  
19 conservation program, a municipal utility or retail electric cooperative that is a  
20 customer or member of the wholesale supplier may do any of the following: 1. Include  
21 include an amount equal to the product of the municipal utility's or retail electric  
22 cooperative's wholesale supply percentage and the amount that the wholesale  
23 supplier has spent on low-income assistance the commitment to community  
24 program in a fiscal year in calculating the amount that the municipal utility or retail

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1 electric cooperative has spent on ~~low-income assistance~~ a commitment to  
2 community program in that fiscal year under par. (d) 2. b. or 3. a (dm).

3 **SECTION 24.** 16.957 (5) (e) 2. of the statutes is repealed.

4 **SECTION 25.** 16.957 (5) (f) of the statutes is amended to read:

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

9 **SECTION 26.** 16.957 (5) (g) 1. a. of the statutes is amended to read:

10 16.957 (5) (g) 1. a. An accounting of public benefits fees charged to customers  
11 or members under par. (a) in the fiscal year and expenditures on commitment to  
12 community programs under par. (d) (dm), including any amounts included in the  
13 municipal utility's or retail electric cooperative's calculations under par. (e).

14 **SECTION 27.** 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 fees  
18 received under s. 16.957 (4) (a) and (5) (c) and (d) and contributions received under  
19 s. 16.957 (2) (c) 4. and (d) 2.

20 **SECTION 28.** 196.374 (3) of the statutes is amended to read:

21 196.374 (3) ~~In 2000, 2001 and 2002, the commission shall require each utility~~  
22 ~~to spend a decreasing portion of the amount determined under sub. (2) on programs~~  
23 ~~specified in sub. (2) and contribute the remaining portion of the amount to the~~  
24 ~~commission for deposit in the fund. In each year after 2002, each Each utility shall~~  
25 contribute the entire amount determined under sub. (2) to the commission for deposit

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1 in the fund. The commission shall ensure in rate-making orders that a utility  
2 recovers from its ratepayers the amounts spent on programs or contributed to the  
3 fund under this subsection. ~~The commission shall allow each utility the option of~~  
4 ~~continuing to use, until January 1, 2002, the moneys that it has recovered under s.~~  
5 ~~196.374 (3), 1997 stats., to administer the programs that it has funded under s.~~  
6 ~~196.374 (1), 1997 stats.~~ The commission may allow each utility to spend additional  
7 moneys on the programs specified in sub. (2) if the utility otherwise complies with  
8 the requirements of this section and s. 16.957 (4).

9 **SECTION 29.** 196.374 (4) of the statutes is amended to read:

10 196.374 (4) If the department notifies the commission under s. 16.957 (2) (b)  
11 2. that the department has reduced funding for energy conservation and efficiency  
12 and renewable resource programs by an amount that is greater than the portion of  
13 ~~the public benefits fee specified in s. 16.957 (4) (c) 2.~~, the commission shall reduce  
14 make a corresponding reduction in the amount that utilities are required to spend  
15 on programs or contribute to the fund under sub. (3) ~~by the portion of the reduction~~  
16 ~~that exceeds the amount of public benefits fees specified in s. 16.957 (4) (c) 2.~~

17 **SECTION 30. Effective date.**

18 (1) This act takes effect on July 1, 2002.

19 (END)