

2001 DRAFTING REQUEST

Bill

Received: **08/20/2001**

Received By: **kunkemd**

Wanted: **As time permits**

Identical to LRB:

For: **Tim Hoven (608) 267-2369**

By/Representing: **Michael Welsh**

This file may be shown to any legislator: **NO**

Drafter: **kunkemd**

May Contact:

Addl. Drafters:

Subject: **Public Util. - energy**

Extra Copies:

Submit via email: **NO**

Pre Topic:

No specific pre topic given

Topic:

Eliminating public benefits energy conservation programs

Instructions:

See ARC's LRBb1763

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>
/?	kunkemd 09/06/2001	csicilia 09/07/2001		_____			S&L
/1	kunkemd 09/10/2001	csicilia 09/11/2001	pgreensl 09/07/2001	_____	lrb_docadmin 09/07/2001		S&L
/2			rschluet 09/11/2001	_____	lrb_docadmin 09/11/2001	lrb_docadmin 09/14/2001	

FE Sent For: **09/14/2001.**

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u/2^u sent for 9/14/01

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/1		1/2 cjs 9/10 01	pgreensl 09/07/2001		lrb_docadmin 09/07/2001		

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9-11-1

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/?	kunkemd	9/7 gjs / 1	9/7 PB	9/7 P81 B			

FE Sent For:

<END>

Budget Amendments 2001 - 2003

- 3633
61662

Prepared by the Assembly Republican Caucus

Statement of Intent Omnibus Energy Motion

61763
includes items 3, 4, 6 &
7

Legislator Hoven
Legislator 2
Legislator 3
Legislator 4
Staff contact Mike
Agency PSC

Amendment 78
Pass or Fail Pass
Spending Cut
Withdrawn
Package

Summary
Separate
1) Create an energy and reliability assessment review by the Public Service Commission of proposed administrative rules that will impact the cost of energy to consumers and the ability for the state to meet its energy demands. This review authority will allow the Public Service Commission, if it deems appropriate, to attach an energy and reliability impact statement to any rule that could impact electric reliability in the state. *revise @ 1-2155/1*

MOK
Separate

2) Under current law, when a party petitions the PSC for a certificate of public convenience and necessity (CPCN) for the construction of a large generating facility or high-voltage transmission line, the party must also file an engineering plan with the DNR so the Department can determine what air and water discharge permits are needed to protect air and water quality. This motion would specify that a party petitioning the Commission for a CPCN would only have to submit an engineering plan to the DNR for the construction of a large generating facility, as transmission lines do not affect air and water quality.

anything in 31-096511?

3) The motion would freeze spending on low-income public benefits programs at 1999-2000 funding levels, therefore capping the maximum consumer public benefits fee (charged through electric bills) at current levels. *July 1, 2001 - June 30, 2002*

4) Effective July 1, 2002 repeal the provision in current law that requires all utilities to collect \$20,000,000 annually in public benefits for energy conservation, energy efficiency, environmental research and development, and renewable programs. *Low income & continue*

Sent on out to Reschka Separate

5) The motion would also give DOA authority to receive billing and use data for all the public school facilities in Wisconsin. This would allow DOA to perform accurate benchmarking and identify the highest energy cost schools and target their efforts to them. *14.065 20505 (1)(m) 16.95? school district loan under s. 24.61(3)?*

764

6) The motion requires the DOA to provide a performance based contracting program for nonresidential energy conservation programs. DOA must select a program administrator with responsibility for this program only. Under performance based contracting, energy service providers identify energy savings opportunities and manage the financing and installation of energy efficient equipment. The customer then repays the cost of the improvements out of the money saved on their utility bill.

7) The motion would also require that 25% of funding collected for energy conservation and efficiency and renewable resource programs be allocated to the performance based contracting program each fiscal year.

Request # 221 → WEI 2

Budget Amendments 2001 - 2003

Prepared by the Assembly Republican Caucus

Fiscal Impact This motion saves \$20,000,000 (SEG).

Drafting Inst draft language written by the office

ARC Analyst Raschka

Request # 221

Friday, June 22, 2001

Page 22 of 28

TOMORROW
9/7
NOON

CS

-3633/1

ARC:.....Raschka - AM78, items 3, Omnibus energy motion: public benefits program

FOR 2001-03 BUDGET - NOT READY FOR INTRODUCTION

CAUCUS ASSEMBLY AMENDMENT

TO ASSEMBLY SUBSTITUTE AMENDMENT 1,

TO 2001 SENATE BILL 55

INSERT relating clause

INSERT ANALYSIS

LPS: Thaw all bill section numbers

Gen cat

1 At the locations indicated, amend the substitute amendment as follows:
2 1. Page 74, line 21: delete the material beginning with that line and ending
3 with page 75, line 2, and substitute:

4 ~~SECTION 322b.~~ 16.957 (1) (c) of the statutes is amended to read:
5 16.957 (1) (c) "Commitment to community program" means a program by a
6 municipal utility or, retail electric cooperative, or wholesale supplier for low-income
7 assistance or an energy conservation program by a municipal utility or retail electric
8 cooperative.

9 SECTION ~~322d.~~ 16.957 (1) (n) of the statutes is repealed.

10 SECTION ~~322f.~~ 16.957 (1) (o) of the statutes is repealed.

as affected by 2001 Wisconsin Act 16

1 SECTION ~~323h~~. 16.957 (1) (p) of the statutes is repealed.

2 SECTION ~~323L~~. 16.957 (1) (u) of the statutes is repealed.

3 SECTION ~~324b~~. 16.957 (2) (a) (intro.) of the statutes is renumbered 16.957 (2)
4 (a) and amended to read:

plain

5 16.957 (2) (a) *Low-income programs*. After holding a hearing, establish
6 programs to be administered by the department for awarding grants from the
7 appropriation under s. 20.505 ~~1111~~ (3) (r) to provide low-income assistance. In each
8 fiscal year, the amount awarded under this paragraph shall be sufficient to ensure
9 that an amount equal to 47% of the sum of the following is spent for weatherization
10 and other energy conservation services:

11 SECTION ~~324c~~. 16.957 (2) (a) 1., 2., 3. and 4. of the statutes are repealed.

~~12 2. Page 75, line 19: after that line insert.~~

keep period

13 SECTION ~~324bd~~. 16.957 (2) (b) 2. of the statutes is amended to read:

14 16.957 (2) (b) 2. For each fiscal year after fiscal year 2003-04, determine
15 whether to continue, discontinue or reduce any of the programs established under
16 subd. 1. and determine the total amount necessary to fund the programs that the
17 department determines to continue or reduce under this subdivision. ~~The~~
18 ~~department shall notify the commission if~~ If the department determines under this
19 ~~subdivision to reduce funding by an amount that is greater than the portion of the~~
20 ~~public benefits fee specified in sub. (4) (c) 2. The notice shall specify the portion of~~
21 ~~the reduction that exceeds the amount of public benefits fees specified in sub. (4) (c)~~
22 2 the total amount necessary to fund the programs, the department shall notify the
23 commission about the amount of the reduction.

24 SECTION ~~326b~~. 16.957 (2) (c) 1. of the statutes is amended to read:

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

6 ~~SECTION 326bj.~~ 16.957 (2) (c) ^x5. of the statutes is repealed.

7 ~~SECTION 326bl.~~ 16.957 (2) (d) ^x1. of the statutes is repealed.

8 ~~SECTION 326bn.~~ 16.957 (2) (d) ^x3. of the statutes is amended to read:

9 16.957 (2) (d) 3. Deposit all moneys received under sub. (4) (a) or (5) (c) ~~or (d)~~
10 in the utility public benefits fund.

11 **SECTION 326bs.** 16.957 (3m) of the statutes is created to read:

12 16.957 (3m) PERFORMANCE CONTRACT PROGRAM. (a) In this subsection,
13 "energy-related services" includes electric or gas energy engineering, equipment
14 design, installation, or maintenance; or the financing of energy-related services or
15 products.

16 (b) From the appropriation under s. 20.505 (3) (u), the department shall make
17 a payment to a person if all of the following are satisfied:

18 1. The person satisfies any eligibility requirements that the department may
19 establish by rule.

20 2. The person enters into a contract with a nonresidential customer of a public
21 utility for providing energy-related services or products to the customer for the
22 purpose of reducing the customer's energy utility expenses by an amount specified
23 in the contract over a period of time specified in the contract.

24 3. An independent third party certifies to the department that, as a result of
25 the services or products provided under a contract specified in subd. 2, the

1 customer's energy utility expenses were reduced by the specified amount over the
2 specified period of time.

3 (c) The amount of a payment under par. (b) shall be based on the amount of the
4 reduction in a customer's energy utility expenses.

5 (d) The department shall promulgate rules establishing requirements and
6 procedures for making payments under par. (b). The department may contract with
7 a person to administer the requirements and procedures established in the rules.

8 SECTION ~~326b~~[#] 16.957 (4) (c) 1. (intro.) of the statutes is renumbered 16.957

9 (4) (c) ~~1~~ and amended to read:

10 16.957 (4) (c) 1. 'Low-income funding.' In fiscal year 1999-2000 ~~the public benefits fee shall be an amount that, when~~

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

17 SECTION ~~326b~~[#] 16.957 (4) (c) 1. of the statutes, as affected by 2001 Wisconsin

18 Act (this act), is repealed and recreated to read:

19 16.957 (4) (c) 1. 'Low-income funding.' In each fiscal year, the public benefits
20 fee shall be an amount that, when added to 100% of the estimated public benefits fees
21 charged by municipal utilities and retail electric cooperatives under sub. (5) (a) for
22 that fiscal year shall equal \$24,000,000.

23 SECTION ~~326b~~[#] 16.957 (4) (c) 1. a., b. and c. of the statutes are repealed.

24 SECTION ~~326b~~[#] 16.957 (4) (c) 2. of the statutes is repealed.
25

1 SECTION ~~320cd.~~^x 16.957 (5) (a) of the statutes is amended to read:

2 16.957 (5) (a) *Requirement to charge public benefits fees.* Each retail electric
3 cooperative and municipal utility shall charge a monthly public benefits fee to each
4 customer or member in an amount that is sufficient for the retail electric cooperative
5 or municipal utility to collect an annual average of \$16 ~~\$8~~ per meter. A retail electric
6 cooperative or municipal utility may determine the amount that a particular class
7 of customers or members is required to pay under this paragraph and may charge
8 different fees to different classes of customers or members.

9 SECTION ~~320cf.~~^x 16.957 (5) (b) 1. of the statutes is amended to read:

10 16.957 (5) (b) 1. No later than October 1, 2000, each municipal utility or retail
11 electric cooperative shall notify the department whether it has elected to contribute
12 to the programs established under sub. (2) (a) ~~or (b) 1.~~ for a 3-year period.

13 SECTION ~~320ch.~~^x 16.957 (5) (b) 2. of the statutes is amended to read:

14 16.957 (5) (b) 2. No later than every 3rd year after the date specified in subd.
15 1., each municipal utility or retail electric cooperative shall notify the department
16 whether it has elected to contribute to the programs established under sub. (2) (a)
17 ~~or (b) 1.~~ for a 3-year period.

18 SECTION ~~320ci.~~^x 16.957 (5) (c) of the statutes is amended to read:

19 16.957 (5) (c) *Full contribution.* If a municipal utility or retail electric
20 cooperative elects under par. (b) 1. or 2. to contribute to the programs established
21 ~~both~~ under sub. (2) (a) ~~and under sub. (2) (b) 1.~~, it shall pay 100% of the public benefits
22 fees that it charges under par. (a) to the department in each fiscal year of the 3-year
23 period for which it has made the election.

24 SECTION ~~320cl.~~^x 16.957 (5) (d) (intro.), 1. and 2. of the statutes are repealed.

1 SECTION ~~326en.~~ 16.957 (5) (d) 3. (intro.) and 3. a. of the statutes are
2 consolidated, renumbered 16.957 (5) (dm) and amended to read:

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

10 SECTION ~~326ep.~~ 16.957 (5) (d) 3. b. of the statutes is repealed.

11 SECTION ~~326er.~~ 16.957 (5) (e) (intro.) and 1. of the statutes are consolidated,
12 renumbered 16.957 (5) (e) and amended to read:

13 16.957 (5) (e) Wholesale supplier credit. If a wholesale supplier has established
14 a commitment to community program ~~for low-income assistance or an energy~~
15 ~~conservation program~~, a municipal utility or retail electric cooperative that is a
16 customer or member of the wholesale supplier may ~~do any of the following:~~ 1. ~~Include~~
17 include an amount equal to the product of the municipal utility's or retail electric
18 cooperative's wholesale supply percentage and the amount that the wholesale
19 supplier has spent on ~~low-income assistance~~ the commitment to community
20 program in a fiscal year in calculating the amount that the municipal utility or retail
21 electric cooperative has spent on ~~low-income assistance~~ a commitment to
22 community program in that fiscal year under par. (d) 2. b. or 3. a (dm).

23 SECTION ~~326et.~~ 16.957 (5) (e) 2. of the statutes is repealed.

24 SECTION ~~326ev.~~ 16.957 (5) (f) of the statutes is amended to read:

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

5 SECTION ~~826~~⁸²⁶ 16.957 (5) (g) 1. a. of the statutes is amended to read:

6 16.957 (5) (g) 1. a. An accounting of public benefits fees charged to customers
7 or members under par. (a) in the fiscal year and expenditures on commitment to
8 community programs under par. (d) (dm), including any amounts included in the
9 municipal utility's or retail electric cooperative's calculations under par. (e) ~~dm~~^{dm}

keep period

10 3. Page 249, line 4: after that line insert:

11 "(u) Performance contract program SEG S -0- -0-".

12 4. Page 390, line 15: after that line insert:

13 "SECTION 838m. 20.505 (3) (u) of the statutes is created to read:

14 20.505 (3) (u) *Performance contract program*. From the utility public benefits
15 fund, a sum sufficient equal to 25% of the amount in the utility public benefits fund
16 less the amounts appropriated under pars. (q) and (t) and s. 20.435 (4) (y) and the
17 amount shown in the schedule under s. 20.005 (3) for the appropriation under par.
18 (r), for making payments under s. 16.957 (3m)."

19 5. Page 400, line 19: delete lines 19 to 20 and substitute:

20 SECTION ~~803~~⁸⁰³g. 20.505 (3) (r) of the statutes is renumbered 20.505 (3) (r) and
21 amended to read:

22 20.505 (3) (r) *Low-income assistance grants*. From the utility public benefits
23 fund, a sum sufficient, less the amounts appropriated under pars. (q) and (t) and s.
24 20.435 (4) (y) for low-income assistance grants under s. 16.957 (2) (a).

was affected by 2001 Wisconsin Act 163

As affected by 2001 Wisconsin Act 16

1 ~~SECTION 20.505 (10) (s)~~ ^{# 3} of the statutes is renumbered ~~20.505 (8) (s)~~ and
 2 amended to read:
 3 ~~20.505 (3) (s)~~ *Energy conservation and efficiency and renewable resource*
 4 *grants.* From the utility public benefits fund, a sum sufficient equal to 75% of the
 5 amount in the utility public benefits fund less the amounts appropriated under pars.
 6 (q) and (r) and s. 20.435 (4) (m) and the amount shown in the schedule under s. 20.005
 7 (3) for the appropriation under par. (r), for energy conservation and efficiency and
 8 renewable resource grants under s. 16.957 (2) (b) 1. and to make the transfer to the
 9 air quality improvement fund under s. 16.958 (2) (a).

~~6. Page 477, line 12: after that line insert.~~

11 ~~SECTION 25.96~~ ^X of the statutes is amended 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
 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.

~~7. Page 992, line 12: after that line insert:~~

18 ~~SECTION 196.374 (3)~~ ^X of the statutes is amended to read:
 19 **196.374 (3)** In 2000, 2001 and 2002, the commission shall require each utility
 20 to spend a decreasing portion of the amount determined under sub. (2) on programs
 21 specified in sub. (2) and contribute the remaining portion of the amount to the
 22 commission for deposit in the fund. In each year after 2002, each Each utility shall
 23 contribute the entire amount determined under sub. (2) to the commission for deposit
 24 in the fund. The commission shall ensure in rate-making orders that a utility

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

8 SECTION ~~2905m.~~ 196.374 (4) of the statutes is amended to read:

9 196.374 (4) If the department notifies the commission under s. 16.957 (2) (b)
10 2. that the department has reduced funding for energy conservation and efficiency
11 and renewable resource programs by an amount that is greater than the portion of
12 the public benefits fee specified in s. 16.957 (4) (c) 2., the commission shall reduce
13 make a corresponding reduction in the amount that utilities are required to spend
14 on programs or contribute to the fund under sub. (3) ~~by the portion of the reduction~~
15 ~~that exceeds the amount of public benefits fees specified in s. 16.957 (4) (c) 2.~~

16 8. Page 1422, line 23: after that line insert.

9(1)

keep period

17 ~~(3a)~~ ENERGY CONSERVATION AND EFFICIENCY AND RENEWABLE RESOURCES PORTION
18 OF UTILITY PUBLIC BENEFITS FEES. The treatment of sections 16.957 (1) (c), (2) (a)
19 (intro.), 1., 2., 3., and 4., (b) 2., (c) 1., (d) 3., ~~(4) (c) 2., and (5) (a), (b) 1. and 2.,~~
20 (c), (d) (intro.), 1., 2., and 3. (intro.), a., and b., (e) (intro.), 1., and 2., (f), and (g) 1. a.,
21 25.96, and 196.374 (3) and (4) of the statutes and the repeal and recreation of section
22 16.957 (4) (c) 2. of the statutes take effect on July 1, 2003.

STET

(END)

keep period

This act takes effect on the day after publication, except as follows:

SECTION #. ~~Partial applicability.~~ Effective dates.

use component:
create -> action -> *NS -> eff date E

1
2
3
4

no 9

INSERT RELATING CLAUSE:

utility public benefits low-income programs and energy conservation and efficiency and renewable resource programs

two

INSERT ANALYSIS:

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 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.

other

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 energy conservation programs.

This bill 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

programs

option of establishing their own energy conservation programs. The bill also 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 foregoing changes take effect beginning in fiscal year 2003-04.

Regarding the low-income portion of the public benefits fees charged by nonmunicipal utilities, the bill requires the portion to generate in each fiscal year the amount that is required under current law in fiscal year 1999-2000. This change takes effect beginning in fiscal year 2002-03.

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

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-3633/1dn
MDK:.....

Representative Hoven:

This bill contains provisions that are identical to those in the Assembly Republicans' budget amendment, except that the change regarding the low-income portion of the public benefits fee goes into effect beginning in fiscal year 2002-03, rather than in fiscal year 2001-02. The reason is that fiscal year 2001-02 has already begun. Is that okay?

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

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-3633/1dn
MDK:es:pg

September 7, 2001

Representative Hoven:

This bill contains provisions that are identical to those in the Assembly Republicans' budget amendment, except that the change regarding the low-income portion of the public benefits fee goes into effect beginning in fiscal year 2002-03, rather than in fiscal year 2001-02. The reason is that fiscal year 2001-02 has already begun. Is that okay?

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

Kunkel, Mark

From: Welsh, Michael

Sent: Monday, September 10, 2001 12:05

To: Kunkel, Mark

Cc: Stolzenberg, John

Subject: Drafting Change

Sorry to keep bugging you Mark, but I just spoke with Tim, and he would like to change LRB-3633 so that the the changes to the energy programs (deletion of \$20 million in funding) to go into effect on July 1, 2002 rather than July 1, 2003.

If you have any questions, please give me a ring.

Thanks.

09/10/2001

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-3633/2dn

MDK:.....

cjs

Representative Hoven:

This bill is identical to the previous version, except that the entire bill takes effect July 1, 2002.

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

Tomorrow
by noon 9/11

2001 BILL

D-NOTE

T
stays

Repeal

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.; to amend 16.957 (1) (c), 16.957 (2) (b) 2.,
7 16.957 (2) (c) 1., 16.957 (2) (d) 3., 16.957 (5) (a), 16.957 (5) (b) 1., 16.957 (5) (b)
8 2., 16.957 (5) (c), 16.957 (5) (f), 16.957 (5) (g) 1. a., 25.96, 196.374 (3) and 196.374
9 (4); and to repeal and recreate 16.957 (4) (c) 1. of the statutes; relating to:
10 utility public benefits low-income programs and energy conservation and
11 efficiency and renewable resource programs.

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

BILL

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. ~~The~~ also ~~9~~

Same 9 ~~This~~ bill 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. ~~The bill also~~ 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 foregoing changes take effect beginning in fiscal year 2003-04.~~

~~Regarding the low-income programs portion of the public benefits fees charged by nonmunicipal utilities, the bill requires the portion to generate in each fiscal year the amount that is required under current law in fiscal year 1999-2000. This change takes effect beginning in fiscal year 2002-03.~~

This bill changes

Under

must

5 the low-income programs

9 Finally, the bill

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

BILL

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:

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

BILL

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.'~~ ^{each} In fiscal year 1999-2000 ~~2001-02~~ ^{st 16} a
 23 ~~portion~~ of the public benefits fee shall be an amount that, when added to 50% of the
 24 estimated public benefits fees charged by municipal utilities ^{strike} and retail electric
 25 cooperatives under sub. (5) (a) for that fiscal year, shall equal \$24,000,000. ~~In each~~

100%

BILL

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. of the statutes, as affected by 2001 Wisconsin Act
5 (this act), is repealed and recreated to read:

6 16.957 (4) (c) 1. 'Low-income funding.' In each fiscal year, the public benefits
7 fee shall be an amount that, when added to 100% of the estimated public benefits fees
8 charged by municipal utilities and retail electric cooperatives under sub. (5) (a) for
9 that fiscal year, shall equal \$24,000,000.

10 **SECTION 15.** 16.957 (4) (c) 1. a., b. and c. of the statutes are repealed.

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

12 **SECTION 17.** 16.957 (5) (a) of the statutes is amended to read:

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

20 **SECTION 18.** 16.957 (5) (b) 1. of the statutes is amended to read:

21 16.957 (5) (b) 1. No later than October 1, 2000, each municipal utility or retail
22 electric cooperative shall notify the department whether it has elected to contribute
23 to the programs established under sub. (2) (a) ~~or (b) 1.~~ for a 3-year period.

24 **SECTION 19.** 16.957 (5) (b) 2. of the statutes is amended to read:

BILL

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

5 **SECTION 20.** 16.957 (5) (c) of the statutes is amended to read:

6 16.957 (5) (c) *Full contribution.* If a municipal utility or retail electric
7 cooperative elects under par. (b) 1. or 2. to contribute to the programs established
8 ~~both~~ under sub. (2) (a) ~~and under sub. (2) (b) 1.~~, it shall pay 100% of the public benefits
9 fees that it charges under par. (a) to the department in each fiscal year of the 3-year
10 period for which it has made the election.

11 **SECTION 21.** 16.957 (5) (d) (intro.), 1. and 2. of the statutes are repealed.

12 **SECTION 22.** 16.957 (5) (d) 3. (intro.) and 3. a. of the statutes are consolidated,
13 renumbered 16.957 (5) (dm) and amended to read:

14 16.957 (5) (dm) *Commitment to community spending.* ~~If the a~~ municipal utility
15 or retail electric cooperative elects not to contribute to ~~any~~ of the programs
16 established under sub. (2) (a) ~~or (b) 1.~~, the municipal utility or retail electric
17 cooperative shall, in each fiscal year of the 3-year period for which it elects not to
18 contribute under par. (b) 1. or 2., ~~do all of the following:~~ ~~a. Spend 50%~~ spend 100%
19 of the public benefits fees that it charges under par. (a) on commitment to community
20 programs ~~for low-income assistance.~~

21 **SECTION 23.** 16.957 (5) (d) 3. b. of the statutes is repealed.

22 **SECTION 24.** 16.957 (5) (e) (intro.) and 1. of the statutes are consolidated,
23 renumbered 16.957 (5) (e) and amended to read:

24 16.957 (5) (e) *Wholesale supplier credit.* If a wholesale supplier has established
25 a commitment to community program ~~for low-income assistance or an energy~~

BILL

1 ~~conservation program~~, a municipal utility or retail electric cooperative that is a
2 customer or member of the wholesale supplier may ~~do any of the following:~~ 1. ~~Include~~
3 include an amount equal to the product of the municipal utility's or retail electric
4 cooperative's wholesale supply percentage and the amount that the wholesale
5 supplier has spent on ~~low-income assistance~~ the commitment to community
6 program in a fiscal year in calculating the amount that the municipal utility or retail
7 electric cooperative has spent on ~~low-income assistance~~ a commitment to
8 community program in that fiscal year under par. ~~(d) 2. b. or 3. a~~ (dm).

9 **SECTION 25.** 16.957 (5) (e) 2. of the statutes is repealed.

10 **SECTION 26.** 16.957 (5) (f) of the statutes is amended to read:

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

15 **SECTION 27.** 16.957 (5) (g) 1. a. of the statutes is amended to read:

16 16.957 (5) (g) 1. a. An accounting of public benefits fees charged to customers
17 or members under par. (a) in the fiscal year and expenditures on commitment to
18 community programs under par. ~~(d)~~ (dm), including any amounts included in the
19 municipal utility's or retail electric cooperative's calculations under par. (e).

20 **SECTION 28.** 25.96 of the statutes is amended to read:

21 **25.96 Utility public benefits fund.** There is established a separate
22 nonlapsible trust fund designated as the utility public benefits fund, consisting of
23 deposits by the public service commission under s. 196.374 (3), public benefits fees
24 received under s. 16.957 (4) (a) and (5) (c) ~~and (d)~~ and contributions received under
25 s. 16.957 (2) (c) 4. and (d) 2.

BILL

1 **SECTION 29.** 196.374 (3) of the statutes is amended to read:

2 196.374 (3) ~~In 2000, 2001 and 2002, the commission shall require each utility~~
3 ~~to spend a decreasing portion of the amount determined under sub. (2) on programs~~
4 ~~specified in sub. (2) and contribute the remaining portion of the amount to the~~
5 ~~commission for deposit in the fund. In each year after 2002, each Each utility shall~~
6 ~~contribute the entire amount determined under sub. (2) to the commission for deposit~~
7 ~~in the fund. The commission shall ensure in rate-making orders that a utility~~
8 ~~recovers from its ratepayers the amounts spent on programs or contributed to the~~
9 ~~fund under this subsection. The commission shall allow each utility the option of~~
10 ~~continuing to use, until January 1, 2002, the moneys that it has recovered under s.~~
11 ~~196.374 (3), 1997 stats., to administer the programs that it has funded under s.~~
12 ~~196.374 (1), 1997 stats. The commission may allow each utility to spend additional~~
13 ~~moneys on the programs specified in sub. (2) if the utility otherwise complies with~~
14 ~~the requirements of this section and s. 16.957 (4).~~

15 **SECTION 30.** 196.374 (4) of the statutes is amended to read:

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

23 **SECTION 31. Effective dates.** This act takes effect on the day after publication,
24 except as follows:

BILL

1 (1) The treatment of sections 16.957 (1) (c), (2) (a) (intro.), 1., 2., 3., and 4., (b)
 2 2., (c) 1., (d) 3., (4) (c) 2., and (5) (a), (b) 1. and 2., (c), (d) (intro.), 1., 2., and 3. (intro.),
 3 a., and b., (e) (intro.), 1. and 2., (f), and (g) 1. a., 25.96, and 196.374 (3) and (4) of the
 4 statutes and the repeal and recreation of section 16.957 (4) (c) 1. of the statutes take
 5 effect on July 1, 2003.

6 (END)

(B)

Effective date.

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

use component:

create → text → * NS → effdate A

use component:

create → ~~text~~ section → * NS effdate

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-3633/2dn
MDK:cjs:rs

September 11, 2001

Representative Hoven:

This bill is identical to the previous version, except that the entire bill takes effect July 1, 2002.

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

Emery, Lynn

From: Welsh, Michael

Sent: Friday, September 14, 2001 4:40 PM

To: Emery, Lynn

Subject: Jacketed Bills

Could you please jacket LRB-3633/2 and LRB-3598 and send them over.

Thanks,

Michael Welsh
Rep. Tim Hoven's office

9/14/2001

Memo

To: Rep Hoven

(The Bill's Requestor)

Attached is a fiscal estimate prepared for your 2001 draft that has not yet been introduced.

LRB Number: LRB - 3633

Version: "1/2"

Entered In Computer And Copy Sent To Requestor Via E-Mail: 9/17/2001

Fiscal Estimate Prepared By: (agency abbr.) PSC

If you have questions about the attached fiscal estimate, you may contact the agency/ individual who prepared the fiscal estimate. If you disagree with the enclosed fiscal estimate, please contact the LRB drafter of your proposal to discuss your options under the fiscal estimate procedure.

* * * * *

To: LRB – Legal Section PA's

Subject: Fiscal Estimate Received For A Un-Introduced Draft

- If this is **re-drafted** to a new version please attach this early fiscal estimate to the back of the draft's file between the old version and the new version.
- If this draft gets **introduced** ... and the version of the attached fiscal estimate is correct ... please write the drafts intro. number below and give this fiscal estimate to Mike (or Lynn) to process.

THIS DRAFT WAS INTRODUCED AS: 2001 AB545

- If this draft gets **introduced** ... and the version of the attached fiscal estimate is for a previous version ... please attach this early fiscal estimate to the back of the draft's file between the old version and the new version. Have Mike (or Lynn) get the ball rolling on getting a fiscal estimate prepared for the introduced version.

Emery, Lynn

From: Emery, Lynn
Sent: Monday, September 17, 2001 10:02 AM
To: Rep.Hoven
Subject: LRB-3633/2 (FE by PSC - attached - for your review)



FE_Hoven.pdf

FE_Hoven.pdf

Fiscal Estimate - 2001 Session

Original Updated Corrected Supplemental

LRB Number 01-3633/2		Introduction Number
Subject Eliminating public benefits energy conservation programs		
Fiscal Effect		
State:		
<input checked="" type="checkbox"/> No State Fiscal Effect		
<input type="checkbox"/> Indeterminate		
<input type="checkbox"/> Increase Existing Appropriations	<input type="checkbox"/> Increase Existing Revenues	<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget
<input type="checkbox"/> Decrease Existing Appropriations	<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Create New Appropriations		<input type="checkbox"/> Decrease Costs
Local:		
<input checked="" type="checkbox"/> No Local Government Costs		
<input type="checkbox"/> Indeterminate		
5. Types of Local Government Units Affected		
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	<input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Counties <input type="checkbox"/> Others
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	<input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	
Fund Sources Affected		Affected Ch. 20 Appropriations
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS		20.155 (1) (g)
Agency/Prepared By	Authorized Signature	Date
PSC/ Gordon Grant (608) 267-9086	Ave Bie (608) 267-7897	9/17/01

Fiscal Estimate Narratives

PSC 9/17/01

LRB Number 01-3633/2	Introduction Number	Estimate Type Original
Subject Eliminating public benefits energy conservation programs		

Assumptions Used in Arriving at Fiscal Estimate

This bill would require the PSC to continue to bill certain utilities on behalf of the Public Benefits Fund. The bill requires the Department of Administration to notify the Commission of any changes to the amounts collected on an annual basis. The Public Service Commission (PSC) would incur no new costs under the proposals in this bill.

Local Cost Estimate

The PSC does not believe that the work it performs in billing certain public utilities for the fund would result in any local government costs. The effects of this bill on local governments, if any, are better addressed by the Department of Administration's fiscal estimate.

Long-Range Fiscal Implications

None

Memo

To: Rep. Hoven

(The Bill's Requestor)

Attached is a fiscal estimate prepared for your 2001 draft that has not yet been introduced.

LRB Number: LRB 3633

Version: "1/2"

Entered In Computer And Copy Sent To Requestor Via E-Mail: 9 / 24 / 2001

Fiscal Estimate Prepared By: (agency abbr.) DOA

If you have questions about the attached fiscal estimate, you may contact the agency/ individual who prepared the fiscal estimate. If you disagree with the enclosed fiscal estimate, please contact the LRB drafter of your proposal to discuss your options under the fiscal estimate procedure.

* * * * *

To: LRB – Legal Section PA's

Subject: Fiscal Estimate Received For A Un-Introduced Draft

- If this is **re-drafted** to a new version please attach this early fiscal estimate to the back of the draft's file between the old version and the new version.
- If this draft gets **introduced** ... and the version of the attached fiscal estimate is correct ... please write the drafts intro. number below and give this fiscal estimate to Mike (or Lynn) to process.

THIS DRAFT WAS INTRODUCED AS: 2001 AB545

- If this draft gets **introduced** ... and the version of the attached fiscal estimate is for a previous version ... please attach this early fiscal estimate to the back of the draft's file between the old version and the new version. Have Mike (or Lynn) get the ball rolling on getting a fiscal estimate prepared for the introduced version.

Emery, Lynn

From: Emery, Lynn
Sent: Monday, September 24, 2001 9:02 AM
To: Rep.Hoven
Subject: LRB-3633/2 (FE by DOA - attached - for your review)



FE_Hoven.pdf

FE_Hoven.pdf

Fiscal Estimate - 2001 Session

Original Updated Corrected Supplemental

LRB Number 01-3633/2		Introduction Number	
Subject Eliminating public benefits energy conservation programs			
Fiscal Effect			
State:			
<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget	
<input type="checkbox"/> Indeterminate	<input checked="" type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/> Increase Existing Appropriations		<input type="checkbox"/> Decrease Costs	
<input type="checkbox"/> Decrease Existing Appropriations			
<input type="checkbox"/> Create New Appropriations			
Local:			
<input type="checkbox"/> No Local Government Costs			
<input type="checkbox"/> Indeterminate			
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	5. Types of Local Government Units Affected	
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		<input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities
2. <input type="checkbox"/> Decrease Costs	4. <input checked="" type="checkbox"/> Decrease Revenue		<input type="checkbox"/> Counties <input checked="" type="checkbox"/> Others <u>Municipal utilities and coops</u>
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input checked="" type="checkbox"/> Mandatory		<input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts
Fund Sources Affected		Affected Ch. 20 Appropriations	
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input checked="" type="checkbox"/> SEGS 20.505 (0) (r) and (0) (s)			
Agency/Prepared By	Authorized Signature	Date	
DOA/ Kathleen Moore (608) 266-6497	Paul McMahon (608) 266-1359	9/21/01	

Fiscal Estimate Narratives

DOA 9/24/01

LRB Number	01-3633/2	Introduction Number	Estimate Type	Original
Subject				
Eliminating public benefits energy conservation programs				

Assumptions Used in Arriving at Fiscal Estimate

LRB-3633/2 makes several changes to the collection of public benefits fees for the statewide WFOE program. It becomes effective in FY03.

Current law states that the low-income portion of collected public benefit fees is determined by the need for low-income programs. This bill modifies the fee charged by nonmunicipal utilities for the low-income portion of WFOE. Under this bill, the low-income portion can only generate in each fiscal year the amount that is required under current law in FY00. The FY00 amount, \$20.4 million, is a decrease of \$3.4 million from the planned FY03 amount.

LRB-3633 also reduces the amount of public benefits fees that municipal electric utilities and cooperative associations can charge. Under this bill, the amount charged must be sufficient to generate an annual average of \$8 per meter (currently \$16 per meter) and it eliminates the option of municipal utilities and coops of establishing their own energy programs. Municipal utilities and coops can still collect fees for low-income programs, but they can not collect fees for other energy programs and, therefore, can not provide their own energy programs or buy into the statewide program. This is a decrease \$3.6 million in revenue used for local energy programs.

In addition, this bill eliminates the portion of the public benefits fee charged by nonmunicipal utilities for funding other energy programs. As a result of this change and the elimination of fees mentioned above, the only funding source for energy conservation and efficiency programs is the annual contributions by gas and electric utilities. This decreases Wisconsin's annual revenue for these programs by \$16.5 million.

Long-Range Fiscal Implications

The current FY03 revenue amount for the statewide WFOE program is \$90.3 million and this bill would reduce it to \$70.4 million. That is a \$19.9 million reduction in state revenue for use in administering the statewide public benefits programs. It would also decrease local revenue by \$3.6 million used to provide local energy programs. All of DOA's existing Public Benefits grants and contracts would need to be amended or cancelled in order to meet the requirements of this bill. Since these grants and contracts actually administer the statewide Wisconsin Focus on Energy program (DOA oversees the program), any decrease in revenue leads to a decrease in the number of programs, a decrease in the number of people served and a decrease in the amount of services each person receives. The number of staff required to administer and oversee the statewide WFOE program would not be impacted.

Fiscal Estimate Worksheet - 2001 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

LRB Number 01-3633/2		Introduction Number	
Subject			
Eliminating public-benefits energy conservation programs			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
State Operations - Salaries and Fringes		\$	
(FTE Position Changes)			
State Operations - Other Costs			
Local Assistance			
Aids to Individuals or Organizations			
TOTAL State Costs by Category		\$	\$
B. State Costs by Source of Funds			
GPR			
FED			
PRO/PRS			
SEG/SEG-S			
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
		Increased Rev	Decreased Rev
GPR Taxes		\$	\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			-19,840,388
TOTAL State Revenues		\$	-\$-19,840,388
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$-19,840,388	\$-\$3,631,184
Agency/Prepared By		Authorized Signature	Date
DOA/ Kathleen Moore (608) 266-6497		Paul McMahon (608) 266-1359	9/21/01