

2009 DRAFTING REQUEST

Bill

Received: **07/21/2009**

Received By: **mkunkel**

Wanted: **As time permits**

Identical to LRB:

For: **Ted Zigmunt (608) 266-9870**

By/Representing:

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

Drafter: **mkunkel**

May Contact:

Addl. Drafters:

Subject: **Public Util. - energy**

Extra Copies:

Submit via email: **YES**

Requester's email: **Rep.Zigmunt@legis.wisconsin.gov**

Carbon copy (CC:) to:

Pre Topic:

No specific pre topic given

Topic:

Allowing an electric provider to create renewable resource credits based on the electric provider's use of certain renewable resources

Instructions:

Companion to 09-2962/2

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>
/?	mkunkel 07/21/2009	bkraft 07/21/2009		_____			
/1			rschluet 07/21/2009	_____	mbarman 07/21/2009	mbarman 08/14/2009	

FE Sent For:

↳ Not Needed

<END>

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/?	mkunkel 07/21/2009	bkraft 07/21/2009		_____			
/1			rschluet 07/21/2009	_____	mbarman 07/21/2009		

FE Sent For:

<END>

Handwritten notes: "Jacketed" circled with an arrow pointing to "per MDK" circled.

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/?	mkunkel	/1bjk 7/21		_____	_____	_____	_____
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FE Sent For:

<END>

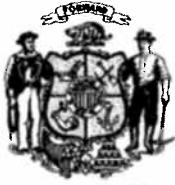
Kunkel, Mark

From: Brady, Kevin
Sent: Monday, July 20, 2009 3:17 PM
To: Kunkel, Mark
Cc: Peters, Steven; Ferus, Jay
Subject: LRB 2962/2

Mark,

Please release LRB 2962/2 to Rep. Zigmunt's office for an assembly companion.

Kevin Brady
Sen. Plale



State of Wisconsin
2009 - 2010 LEGISLATURE

D-NOTE

LRB 2962/2
MDK:bjk:rs

stays

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2009 BILL

- 3/5/11

IN 7-21

RM NOT
RUN

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regen.

1 AN ACT *to amend* 196.378 (1) (i), 196.378 (3) (a) 1. and 196.378 (3) (c); and *to*
2 *create* 196.378 (3) (a) 1m. of the statutes; **relating to:** creation of renewable
3 resource credits by electric providers and granting rule-making authority.

Analysis by the Legislative Reference Bureau

Under current law, an electric utility or retail electric cooperative (electric provider) is subject to certain requirements for ensuring that, in a given year, a specified percentage of the electricity that the electric provider sells to retail customers or members is derived from renewable resources. Such requirements are commonly referred to as renewable portfolio standards (RPSs). Current law also allows an electric provider to create a credit based on the amount of electricity derived from renewable resources that the electric provider provides to its customers or members in a year and that exceeds the RPS for that year. Subject to certain restrictions, an electric provider that creates a credit may use the credit in a subsequent year to help comply with an RPS, or sell the credit to another electric provider to help the buyer comply with an RPS.

This bill allows an electric provider to create an additional credit that the electric provider can use or sell like the credit allowed under current law. The bill requires the Public Service Commission (PSC) to promulgate rules that allow an electric provider to create a credit based on the electric provider's use in a year of the following resources: solar energy, including solar water heating and direct solar applications such as solar light pipe technology; geothermal energy; biomass or biogas. However, the electric provider's use of the foregoing resources is eligible for

BILL

a credit only if both of the following are satisfied: 1) the use displaces the electric provider's use of electricity that is derived from coal, oil, nuclear power or natural gas, except for natural gas used in a fuel cell; and 2) the displacement is verifiable and measurable, as determined by the PSC. In addition, the PSC's rules must also allow an electric provider to create a credit based on a customer's or member's use of resources that satisfies the foregoing requirements.

The bill also eliminates a requirement under current law that a credit must be used in a year subsequent to the year in which the credit is created or purchased. As a result, under the bill, a credit may be used in the same year that it is created or purchased, or in a subsequent year.

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

1 **SECTION 1.** 196.378 (1) (i) of the statutes is amended to read:

2 196.378 (1) (i) "Renewable resource credit" means a credit calculated in
3 accordance with rules promulgated under sub. (3) (a) 1., 1m., and 2.

4 **SECTION 2.** 196.378 (3) (a) 1. of the statutes is amended to read:

5 196.378 (3) (a) 1. Subject to subd. 2., an electric provider that provides total
6 renewable energy to its retail electric customers or members in excess of the
7 percentages specified in sub. (2) (a) 2., or that satisfies the requirements specified in
8 rules promulgated under subd. 1m., may, in the applicable year, create a renewable
9 resource credit and sell to any other electric provider the renewable resource credit
10 or a portion of the renewable resource credit at any negotiated price. An electric
11 provider that creates or purchases a renewable resource credit or portion may use
12 the credit or portion ~~in a subsequent year~~, as provided under par. (c), to establish
13 compliance with sub. (2) (a) 2. The commission shall promulgate rules that establish
14 requirements for the creation and use of a renewable resource credit created on or
15 after January 1, 2004, including calculating the amount of a renewable resource
16 credit, and for the tracking of renewable resource credits by a regional renewable

BILL

1 resource credit tracking system. The rules shall specify the manner for aggregating
2 or allocating credits under this subdivision or sub. (2) (b) 4. or 5.

3 **SECTION 3.** 196.378 (3) (a) 1m. of the statutes is created to read:

4 196.378 (3) (a) 1m. The commission shall promulgate rules that allow an
5 electric provider to create a renewable resource credit based on use in a year by the
6 electric provider, or a customer or member of the electric provider, of solar energy,
7 including solar water heating and direct solar applications such as solar light pipe
8 technology; geothermal energy; biomass; or biogas, but only if the use displaces the
9 electric provider's, customer's, or member's use of electricity that is derived from
10 conventional resources, and only if the displacement is verifiable and measurable,
11 as determined by the commission. The rules shall allow an electric provider to create
12 a renewable resource credit based on 100 percent of the amount of the displacement.

13 **SECTION 4.** 196.378 (3) (c) of the statutes is amended to read:

14 196.378 (3) (c) A renewable resource credit created under s. 196.378 (3) (a),
15 2003 stats., may not be used after December 31, 2011. A renewable resource credit
16 created under par. (a) 1., 1m., or 2., ~~as affected by 2005 Wisconsin Act 141~~, may not
17 be used after the 4th year after the year in which the credit is created, except the
18 commission may promulgate rules specifying a different period of time if the
19 commission determines that such period is necessary for consistency with any
20 regional renewable resource credit trading program that applies in this state.

21 **SECTION 5. Nonstatutory provisions.**

22 (1) The public service commission shall submit in proposed form the rules
23 required under section 196.378 (3) (a) 1m. of the statutes, as created by this act, to

BILL

1 the legislative council staff under section 227.15 (1) of the statutes no later than the
2 first day of the 7th month beginning after the effective date of this subsection.

3 (END)

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-3154/1dn

MDK:.....

Lbjk

Date

Rep. Zigmunt:

This bill is a companion to LRB-2962/2.

09
Mark D. Kunkel
Senior Legislative Attorney
Phone: (608) 266-0131
E-mail: mark.kunkel@legis.wisconsin.gov

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRB-3154/1dn
MDK:bjk:rs

July 21, 2009

Rep. Zigmunt:

This bill is a companion to LRB09-2962/2.

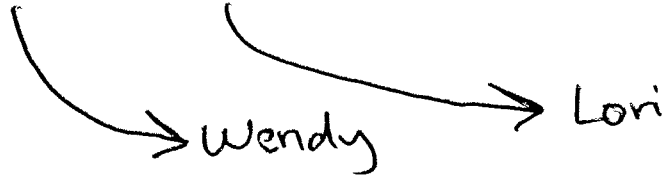
Mark D. Kunkel
Senior Legislative Attorney
Phone: (608) 266-0131
E-mail: mark.kunkel@legis.wisconsin.gov

Barman, Mike

From: Hanaman, Cathlene
Sent: Thursday, September 03, 2009 4:12 PM
To: Becky Kraft; Chris Siciliano; Joy Geller; Kathy Follett; Noah Natzke; Wendy Jackson; Christina Duerst; Lori Northrop; Mike Barman; Sarah Basford
Subject: Corrected copy

I need to do a corrected copy. Will one editor and one PA be here long enough to do it today?

It shouldn't take long.





2009 ASSEMBLY BILL 401

August 26, 2009 - Introduced by Representatives ZIGMUNT, SOLETSKI, BENEDICT, BERCEAU, BERNARD SCHABER, DANOU, DAVIS, DEXTER, GOTTLIEB, GRIGSBY, GUNDERSON, HIXSON, HONADEL, HUEBSCH, KESTELL, LEMAHIEU, MILROY, MONTGOMERY, NELSON, NYGREN, A. OTT, RIPP, SPANBAUER, SUDER, TOWNSEND, TURNER, VAN AKKEREN, VAN ROY, WOOD, ZEPNICK, ZIEGELBAUER and ZIPPERER, cosponsored by Senators PLALE, COWLES, LEIBHAM, DARLING, HANSEN, HOLPERIN, HOPPER, KAPANKE, A. LASEE, LASSA, LAZICH, OLSEN, RISSER, SCHULTZ, SULLIVAN and TAYLOR. Referred to Committee on Energy and Utilities.

1 **AN ACT to amend** 196.378 (1) (i), 196.378 (3) (a) 1. and 196.378 (3) (c); and **to**
2 **create** 196.378 (3) (a) 1m. of the statutes; **relating to:** creation of renewable
3 resource credits by electric providers and granting rule-making authority.

Analysis by the Legislative Reference Bureau

Under current law, an electric utility or retail electric cooperative (electric provider) is subject to certain requirements for ensuring that, in a given year, a specified percentage of the electricity that the electric provider sells to retail customers or members is derived from renewable resources. Such requirements are commonly referred to as renewable portfolio standards (RPSs). Current law also allows an electric provider to create a credit based on the amount of electricity derived from renewable resources that the electric provider provides to its customers or members in a year and that exceeds the RPS for that year. Subject to certain restrictions, an electric provider that creates a credit may use the credit in a subsequent year to help comply with an RPS, or sell the credit to another electric provider to help the buyer comply with an RPS.

This bill allows an electric provider to create an additional credit that the electric provider can use or sell like the credit allowed under current law. The bill requires the Public Service Commission (PSC) to promulgate rules that allow an electric provider to create a credit based on the electric provider's use in a year of the following resources: solar energy, including solar water heating and direct solar applications such as solar light pipe technology; geothermal energy; biomass or biogas. However, the electric provider's use of the foregoing resources is eligible for

ASSEMBLY BILL 401

MISSING (11)
a credit only if both of the following are satisfied: 1) the use displaces the electric provider's use of electricity that is derived from coal, oil, nuclear power or natural gas, except for natural gas used in a fuel cell; and 2) the displacement is verifiable and measurable, as determined by the PSC. In addition, the PSC's rules must also allow an electric provider to create a credit based on a customer's or member's use of resources that satisfies the foregoing requirements.

*INS
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5 196.378 (3) (a) 1. Subject to subd. 2., an electric provider that provides total
6 renewable energy to its retail electric customers or members in excess of the
7 percentages specified in sub. (2) (a) 2., or that satisfies the requirements specified in
8 rules promulgated under subd. 1m., may, in the applicable year, create a renewable
9 resource credit and sell to any other electric provider the renewable resource credit
10 or a portion of the renewable resource credit at any negotiated price. An electric
11 provider that creates or purchases a renewable resource credit or portion may use
12 the credit or portion *plan comma* in a subsequent year, as provided under par. (c), to establish
13 compliance with sub. (2) (a) 2. The commission shall promulgate rules that establish
14 requirements for the creation and use of a renewable resource credit created on or
15 after January 1, 2004, including calculating the amount of a renewable resource
16 credit, and for the tracking of renewable resource credits by a regional renewable
17 resource credit tracking system. The rules shall specify the manner for aggregating
18 or allocating credits under this subdivision or sub. (2) (b) 4. or 5.

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ASSEMBLY BILL 401

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21 the legislative council staff under section 227.15 (1) of the statutes no later than the
22 first day of the 7th month beginning after the effective date of this subsection.

23 (END)



a credit only if both of the following are satisfied: 1) the use displaces the electric provider's use of electricity that is derived from coal, oil, nuclear power or natural gas, except for natural gas used in a fuel cell; and 2) the displacement is verifiable and measurable, as determined by the PSC. In addition, the PSC's rules must also allow an electric provider to create a credit based on a customer's or member's use of resources that satisfies the foregoing requirements.

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