

## Chapter PSC 118

### RENEWABLE RESOURCE CREDIT TRACKING PROGRAM

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**Note:** Chapter PSC 118 was created as an emergency rule effective April 7, 2001.

**PSC 118.01 Scope.** (1) This chapter applies to each Wisconsin electric provider that is subject to s. 196.378 (2) (a), Stats., and to any member or customer of an electric provider.

(2) The commission may consider exceptional or unusual situations and may, by order, apply different requirements to an individual facility than those provided in this chapter.

(3) This chapter should be construed liberally in favor of the creation of RRCs.

**History:** CR 00-065: cr. Register July 2001, No. 547 eff. 8-1-00; CR 06-112: am. Register May 2007 No. 617, eff. 6-1-07; CR 10-147: renum. 118.01 to be 118.01 (1) and am., cr. (2) Register March 2012 No. 675, eff. 4-1-12; CR 13-040: am. (1), cr. (3) Register April 2014 No. 700, eff. 5-1-14.

**PSC 118.02 Definitions.** The definitions specified in s. 196.378, Stats., apply to this chapter. In addition, in this chapter:

(1e) “Biogas” means a gas created by the anaerobic digestion or fermentation of biomass, food processing waste or discarded food.

(1m) “Certified displacement facility” means a displacement facility that the commission certifies under s. PSC 118.055.

(1s) “Certified renewable facility” means an electric generating facility that the commission certifies under s. PSC 118.05.

(2) “Compliance period” means a calendar year, beginning January 1, during which an electric provider is required to achieve a renewable energy percentage under s. 196.378 (2) (a), Stats.

(3) “Commission” means the public service commission.

(3m) “Densified fuel pellets” means pellets made from waste material that does not include garbage, as defined in s. 289.01 (9), Stats., and that contains no more than 30 percent fixed carbon.

(4) “Designated representative” means the person authorized by the electric provider to register a renewable facility or non-electric facility with the program administrator, or to purchase or sell renewable energy certificates or RRCs.

(5) “Displaced conventional electricity” means electricity derived from conventional resources that an electric provider, or a customer or member of the electric provider, would have used except that the person used instead a certified displacement facility.

(5g) “Displacement facility” means any of the following when used by an electric provider, or by a customer or member of the electric provider:

- A solar water heater.
- A solar light pipe.
- A ground source heat pump.
- An installation generating thermal output from biomass, biogas, synthetic gas, densified fuel pellets, or fuel produced by pyrolysis.
- Any other installation under s. 196.378 (3) (a) 1m., Stats., identified by the commission that meets the criteria specified in this chapter.

(5m) “Division administrator” means the administrator of the commission’s division responsible for energy regulation.

(6) “MWh” means megawatt-hour of electricity.

(6r) “Plasma gasification” means the process of using an electric arc gasifier at a high temperature to break down waste material into gases and solids.

(7) “Program administrator” means the person who carries out the administrative responsibilities related to the renewable energy tracking system.

(7g) “Pyrolysis” means an industrial process that heats organic or waste material under pressure in an oxygen-starved environment to break the material down into gases, liquid and solid residues.

(7r) “Renewable energy certificate” means an electronic certificate representing one MWh of total renewable energy from a certified renewable facility that meets all of the following requirements:

(a) The MWh is physically metered with the net generation measured at the certified renewable facility’s bus bar.

(b) The MWh represents renewable energy that is delivered to a retail customer with the retail sale measured at the customer’s meter, ignoring the transmission and distribution losses between the bus bar and the customer’s meter.

(c) The MWh is tracked in the renewable energy tracking system.

(d) The facility meets the applicable requirements of ss. PSC 118.03 and 118.04.

(8) “RRC” means a renewable resource credit.

(9) “Renewable energy tracking system” means a program that tracks the selling, transferring, purchasing, and retiring of renewable energy certificates and RRCs under s. 196.378. (3) (a), Stats., and meets the criteria in s. PSC 118.06.

(10) “Renewable resource credit” means either of the following:

(a) One renewable energy certificate that exceeds an electric provider’s minimum percentage requirement specified in s. 196.378 (2) (a), Stats., and meets the applicable requirements of ss. PSC 118.03 and 118.04.

(b) An electronic certificate representing one MWh of displaced conventional electricity, as calculated under s. PSC 118.09.

(11) “Retail customer” means a customer that receives retail electricity in Wisconsin.

(14) “Solar light pipe” means a device that concentrates and transmits sunlight through a roof to an interior space, employing highly-reflective material inside the device to focus and direct the maximum available sunlight to the interior space.

(15) “Solar water heater” means a device that concentrates and collects solar radiation to heat water for domestic use, pool heating, space heating, or ventilation air heating.

(16) “Synthetic gas” means gas created by plasma gasification or pyrolysis.

(17) “Tracking system account” means the account that the program administrator maintains in order to track the creation, sale, transfer, purchase, and retirement of a renewable energy certificate or an RRC by a renewable energy tracking system participant.

**History:** CR 00-065: cr. Register July 2001, No. 547 eff. 8-1-01; CR 06-112: r. (5) and (9), am. (7), (10) and (11), r. and recr. (13) Register May 2007 No. 617, eff. 6-1-07; CR 10-147: renum. (1) to be (1s) and am., cr. (1e), (1m), am. (2), cr. (3m), am. (4), cr. (5), (5m), am. (6), cr. (6g), (6r), am. (7), cr. (7g), (7r), (9), renum. (10) to be (10) (intro.) and am., cr. (10) (a), (b), renum. (12) to be (17) and am., r. (13), cr. (14) to (16) Register March 2012 No. 675, eff. 4-1-12; republished to insert text inadvertently excluded from (4) Register January 2014 No. 697; CR 13-040: am. (1m), (5), renum. (6g) (intro.) to (5g) (intro.) and am., renum. (6g) (a) to (e) to (5g) (a) to (e) Register April 2014 No. 700, eff. 5-1-14; correction in (17) made under s. 35.17, Stats., Register April 2014 No. 700; CR 14-053: am. (17) Register April 2015 No. 712, eff. 5-1-15.

**PSC 118.025 Renewable resource designation.** Biogas is a renewable resource under s. 196.378 (1) (h) 2., Stats.

**History:** CR 10-147: cr. Register March 2012 No. 675, eff. 4-1-12.

**PSC 118.03 Facilities eligible for the minimum percentage requirement and for creating renewable resource credits.** (1) An electric provider may use the output of a renewable facility to meet a minimum percentage requirement under s. 196.378 (2) (a), Stats., or to create an RRC for renewable energy only if the renewable facility that is the source of the electric provider’s renewable energy meets all of the following requirements:

(a) The energy output of the renewable facility is physically metered and the accuracy of the metering is subject to verification by the program administrator or the commission.

(b) The renewable facility registers with, and is certified by, the commission under s. PSC 118.05.

(c) The renewable facility is owned or operated by the electric provider, which sells the renewable energy to its retail customers or members, or the renewable facility supplies or allocates its energy under an executed wholesale purchase contract to the electric provider, which sells the renewable energy to its retail customers or members.

(2) An electric provider or customer or member of an electric provider may create an RRC for conventional electricity displaced by the use of a displacement facility only if the displacement facility meets all of the following requirements:

(a) Is registered with, and is certified by, the commission under s. PSC 118.055.

(c) Will replace or reduce the use of an electric device or electric service used for the same purpose at the same location as the displacement facility.

(d) Satisfies any other condition established by the commission consistent with s. 196.378 (3) (a) 1m., Stats.

(3) (a) An electric provider may only use the renewable portion of the production from a facility using both a renewable and conventional fuel, based on the relative energy content of the fuels, to meet a minimum percentage requirement under s. 196.378 (2) (a), Stats.

(b) An electric provider or customer or member of an electric provider may only use the renewable portion of the production from a facility using both a renewable and conventional fuel, based on the relative energy content of the fuels, to create RRCs.

(3m) An electric provider or customer or member of an electric provider may use biogas or synthetic gas it creates under sub. (1) or (2), or may use biogas or synthetic gas provided by another entity under sub. (4).

(4) (a) An electric provider may under par. (b) or a customer or member of an electric provider may under par. (c) use the production of a facility that has contracted with a producer of biogas or synthetic gas for ownership of the gas and that has sufficient contracts to deliver the gas to the facility, according to the resulting number of MWh that the facility generates or the amount of conventional electricity that the facility displaces.

(b) An electric provider may use the production of a facility that satisfies par. (a) to meet a minimum percentage requirement under s. 196.378 (2) (a), Stats., or to create an RRC if the electric provider demonstrates all of the following:

1. The gas producer meters the amount of gas delivered, using metering devices that comply with ss. PSC 134.27 and 134.28.

2. The gas producer measures the heat content of the gas at least monthly.

3. The facility complies with sub. (1) or (2).

(c) A customer or member of an electric provider may use the production of a facility that satisfies par. (a) to create a RRC if the electric provider demonstrates all of the following:

1. The gas producer meters the amount of gas delivered, using metering devices that comply with ss. PSC 134.27 and 134.28.

2. The gas producer measures the heat content of the gas at least monthly.

3. The facility complies with sub. (1) or (2).

(5) A customer or member of an electric provider may create an RRC in the manner described in sub. (4).

**History:** CR 00-065: cr. Register July 2001, No. 547 eff. 8-1-01; CR 06-112: r. (2) and (3) (a), am. (3) (b) Register May 2007 No. 617, eff. 6-1-07; CR 10-147: am. (title), (1) (intro.), (a), cons. and renum. (1) (c) 1. and 2. to be (1) (c) and am., cr. (2), renum. (3) (b) to be (3) and am., cr. (4) Register March 2012 No. 675, eff. 4-1-12; CR 13-040: am. (2) (intro.), (c), renum. (3) to (3) (a) and am., cr. (3) (b), (3m), am. (4) (a), cr. (4) (c), (5) Register April 2014 No. 700, eff. 5-1-14; corrections in (1) (intro.), (4) (b) (intro.) made under s. 35.17, Stats., Register April 2014 No. 700; CR 14-053: am. (1) (intro.), (2) (intro.), r. (2) (b), am. (4) (b) (intro.), (5) Register April 2015 No. 712, eff. 5-1-15.

**PSC 118.04 Creation and transfer of renewable energy certificates and renewable resource credits.**

(1) A renewable energy certificate or an RRC is used to meet an electric provider’s minimum percentage requirement under s. 196.378 (2) (a), Stats., in the compliance period for which the electric provider retires the renewable energy certificate or RRC, regardless of the date on which the renewable energy certificate or RRC is retired in the renewable energy tracking system.

**EXAMPLE:** A RRC created for renewable energy generated in 2011 may be used to satisfy an electric provider’s minimum percentage requirement under s. 196.378 (2) (a), Stats., in compliance years 2011 through 2015. A RRC created in 2011 may be used for compliance year 2015 even if the RRC is not retired until 2016.

(1m) For purposes of determining how long a renewable energy certificate or a RRC is eligible to be used to meet an electric provider’s minimum percentage requirement under s. 196.378 (2) (a), Stats.:

(a) A renewable energy certificate is created when the renewable facility generates the renewable energy.

(b) A RRC for renewable energy is created when the renewable facility generates the renewable energy.

(c) A RRC for displaced conventional electricity is created in the year in which the use of the certified displacement facility displaces conventional electricity.

(2) (e) Renewable energy or displaced conventional electricity that would meet the definition of a RRC under s. PSC 118.02 (10), except that it consists of less than one MWh, shall constitute a fraction of a RRC. A fractional RRC may not be smaller than 0.01 MWh.

(f) Two or more electric providers may jointly purchase or sell a renewable energy certificate or a RRC.

(fm) Two or more customers or members of an electric provider may jointly purchase or sell a RRC.

(g) 1. A RRC created before January 1, 2004, may be sold or used to meet an electric provider’s minimum percentage requirement under s. 196.378 (2) (a), Stats. The RRCs described in this subdivision may not be used after December 31, 2011, as provided in s. 196.378 (3) (c), Stats.

2. Renewable energy generated on or after January 1, 2004, but produced by a renewable facility that was placed into service before January 1, 2004, may only be used to create a RRC if the renewable energy constituted an incremental increase in output

from the renewable facility due to capacity improvements that were made on or after January 1, 2004, as provided in s. 196.378 (3) (a) 2., Stats. The RRCs described in this subdivision may not be used to meet a minimum percentage requirement under s. 196.378 (2) (a), Stats., after the fourth year after the year in which the credit is created, as provided in s. 196.378 (3) (c), Stats. If the renewable facility was originally placed in service before January 1, 2004, but is entirely replaced with a new and more efficient facility, all of the output from the new facility constitutes an incremental increase and may be used to create RRCs.

3. A RRC created on or after January 1, 2004, that is produced by a renewable facility placed into service on or after January 1, 2004, may be sold or used to meet an electric provider's minimum percentage requirement under s. 196.378 (2) (a), Stats. The RRCs described in this subdivision may not be used to meet a minimum percentage requirement under s. 196.378 (2) (a), Stats., after the fourth year after the year in which the credit is created, as provided in s. 196.378 (3) (c), Stats.

4. A RRC created for displaced conventional electricity may be sold or used to meet an electric provider's minimum percentage requirement under s. 196.378 (2) (a), Stats. The RRCs described in this subdivision may not be used to meet a minimum percentage requirement under s. 196.378 (2) (a), Stats., after the fourth year after the year in which the credit is created, as provided in s. 196.378 (3) (c), Stats.

5. A renewable energy certificate that is not a RRC may not be used to meet an electric provider's minimum percentage requirement under s. 196.378 (2) (a), Stats., for a compliance period after the year in which the renewable energy certificate was created.

(3) When a renewable energy certificate or a RRC is credited to an electric provider's account or the account of a customer or member of an electric provider, the account owner may sell or transfer the renewable energy certificate or RRC to another electric provider or customer or member of an electric provider. Any person selling or transferring a renewable energy certificate or a RRC shall report the sale or transfer to the program administrator within 10 days of the transaction. The program administrator shall then credit the renewable energy tracking system account of the new owner and debit the renewable energy tracking system account of the prior owner. A renewable energy certificate or a RRC may continue to be sold or traded only if each seller or transferor reports the transaction to the program administrator within 10 days of its consummation.

(4) An electric provider shall annually retire renewable energy certificates and RRCs in the renewable energy tracking system to demonstrate compliance with its minimum percentage requirement under s. 196.378 (2) (a), Stats. When an electric provider uses a RRC to comply with the minimum percentage requirements of s. 196.378 (2) (a), Stats., the electric provider shall retire the RRC. When an electric provider uses a MWh of total renewable energy to comply with the minimum percentage requirements of s. 196.378 (2) (a), Stats., the electric provider shall retire the renewable energy certificate representing the MWh of total renewable energy.

(5) Subject to commission approval, if applicable, the program administrator may establish any procedure necessary to accurately record the creation, sale, transfer, purchase, and retirement of renewable energy certificates and RRCs.

**History:** CR 00-065: cr. Register July 2001, No. 547, eff. 8-1-01; CR 06-112: r. (1) and (2) (a) to (d), cr. (2) (g), am. (3) Register May 2007 No. 617, eff. 6-1-07; CR 10-147: am. (title), cr. (1), (1m), am. (2) (e), (f), (g) 2., 3., cr. (2) (g) 4., 5., am. (3) to (5) Register March 2012 No. 675, eff. 4-1-12; CR 13-040: am. (1m) (c), cr. (2) (fm), am. (3), (4), (5) Register April 2014 No. 700, eff. 5-1-14; corrections in (1m) (intro.), (b), (2) (e), (f), (g), (3) made under s. 35.17, Stats., Register April 2014 No. 700; CR 14-053: am. (1) Register April 2015 No. 712, eff. 5-1-15.

#### **PSC 118.05 Certification of renewable facilities.**

(1) (a) Except as provided in s. PSC 118.055, an electric provider may only use the energy of a certified renewable facility to meet

a minimum percentage requirement under s. 196.378 (2) (a), Stats., or for creation of a RRC. The commission shall certify renewable facilities or delegate this responsibility to the program administrator. Any electric provider or owner of a renewable facility adversely affected by the decision to certify or not certify may file a complaint with the commission. The complaint shall be in writing and filed with the commission within 10 working days after service of the decision. The division administrator may settle and resolve a complaint brought under this paragraph. If the complaint cannot be resolved by mutual agreement, the division administrator shall issue a written decision. Any person adversely affected by the division administrator's written decision may, within 20 working days after its issuance, appeal the decision to the commission by alleging facts that show a violation of a particular statute or provision of this chapter.

(b) The program administrator may not issue a renewable energy certificate or a RRC under s. PSC 118.03 (1) for generation occurring before the date that a renewable facility is certified, except as specified under par. (c) or (d).

(c) For a renewable facility that receives certification from the commission, an electric provider may meet a minimum percentage requirement under s. 196.378 (2) (a), Stats., or create a RRC with energy from the renewable facility that was generated up to 60 days before the date the electric provider delivered its request for certification of the renewable facility, except as otherwise provided under par. (d).

(d) For energy generated by a renewable resource specified in ss. 196.378 (1) (h) 1. h. to j., Stats., the commission may permit an electric provider to meet a minimum percentage requirement under s. 196.378 (2) (a), Stats., or create a RRC with energy that was generated from a certified renewable facility on or after June 3, 2010 but before the date the electric provider delivered its request for certification. The commission may not permit creation of a RRC for energy that was generated by a renewable resource specified in ss. 196.378 (1) (h) 1. h. to j., Stats., before June 3, 2010.

(2) To obtain certification, the electric provider generating or purchasing energy from a renewable facility, or a designated representative, shall provide the following information in a format approved by the commission:

(a) The renewable facility's location, owner, technology, date placed in service, and rated capacity.

(b) Information that demonstrates the renewable facility meets the resource eligibility criteria under s. PSC 118.03.

(c) Any other information the commission determines to be necessary.

(3) The commission or the program administrator shall inform the electric provider, or its designated representative, whether it has certified a renewable facility for which it has received an application under sub. (2).

(5) The commission may make on-site visits to any certified unit of a renewable facility to determine its compliance with this chapter and with s. 196.378, Stats., and may decertify any unit that it finds not to be in compliance.

**History:** CR 00-065: cr. Register July 2001, No. 547, eff. 8-1-01; CR 06-112: am. (1), (2) (intro.) and (3), r. (4), renum. (6) to be PSC 118.06 (5) and am., Register May 2007 No. 617, eff. 6-1-07; CR 10-147: am. (1) (a), (b), cr. (1) (c), (d) Register March 2012 No. 675, eff. 4-1-12; corrections in (1) made under s. 35.17, Stats., Register April 2014 No. 700.

#### **PSC 118.055 Certification of displacement facilities.**

(1) (a) An electric provider or customer or member of an electric provider may create a RRC under s. PSC 118.03 (2) based on the use of a certified displacement facility by the electric provider, or by a customer or member of the electric provider, to the extent that the use displaces conventional electricity. The commission shall certify displacement facilities or delegate this responsibility to the program administrator. Any electric provider, customer or member of an electric provider, or owner of a

displacement facility adversely affected by the decision to certify or not certify may file a complaint with the commission. The complaint shall be in writing and filed with the commission within 10 working days after service of the decision. The division administrator may settle and resolve a complaint brought under this paragraph. If the complaint cannot be resolved by mutual agreement, the division administrator shall issue a written decision. Any person adversely affected by the division administrator's written decision may, within 20 working days after its issuance, appeal the decision to the commission by alleging facts that show a violation of a particular statute or provision of this chapter.

(b) The commission may permit an electric provider or customer or member of an electric provider to create a RRC for conventional electricity displaced by use of a displacement facility before the date the facility is certified, except that the commission may not permit creation of a RRC for displacement that occurred before June 3, 2010.

(2) To obtain certification of a displacement facility, the electric provider, customer or member of an electric provider, or a designated representative, shall provide the following information to the commission in a format approved by the commission:

(a) The displacement facility's location, owner, technology, and date placed in service.

(b) Information that demonstrates the displacement facility meets the eligibility criteria under s. PSC 118.03.

(c) The estimated annual amount of displaced conventional electricity and information supporting this estimate using methods approved by the commission.

(d) Any other information the commission determines to be necessary.

(e) The electric provider's, customer's, or member's affirmation that it has verified all of the information in pars. (a) to (d).

(f) If the applicant does not own the displacement facility, a statement signed by the facility owner that affirms the information in pars. (a) to (d) and permits the electric provider, customer, or member to create RRCs from the facility.

(3) The commission or the program administrator shall inform the electric provider, customer or member, or its designated representative, whether it has certified a displacement facility for which it has received an application under sub. (2).

(4) The commission may make on-site visits to any certified unit of a displacement facility to determine its compliance with this chapter and with s. 196.378, Stats., may request copies of all supporting documentation used to comply with this section, and may decertify any unit that it finds not to be in compliance.

(5) Nothing in this chapter obligates the owner of a displacement facility to permit the electric provider to create RRCs from the facility.

**History:** CR 10-147: cr. Register March 2012 No. 675, eff. 4-1-12; CR 13-040: am. (title), (1), (2) (intro.) to (b), (e), (f), (3) to (5) Register April 2014 No. 700, eff. 5-1-14.

**PSC 118.06 Renewable energy tracking system program administrator.** (1) The commission shall do any of the following:

(a) Using a competitive process, contract with a program administrator who shall operate either a statewide or a regional renewable energy tracking system.

(b) Participate in a regional organization that contracts with a program administrator who shall operate a statewide or regional renewable energy tracking system.

(2) The program administrator shall:

(a) Create an account for each electric provider.

(b) Create an account for each certified renewable facility or certified displacement facility that participates in the tracking system and requests a separate account.

(c) Upon request, register each renewable facility the commission has certified, including the following data about the facility:

1. Its tracking system account number.

2. Its location, owner, technology, date placed in service, and rated capacity.

3. Its expected annual energy production.

4. Information about the facility's meter that allows the program administrator to verify its accuracy.

5. Any additional data the commission deems necessary for proper operation of the tracking system.

(cm) Upon request by the commission, register each displacement facility the commission has certified, including the following data about the facility:

1. Its tracking system account number.

2. Its location, owner, technology, and date placed in service.

3. Its estimated annual amount of displaced conventional electricity.

4. Any additional data the commission considers necessary for proper operation of the tracking system.

(d) Establish and maintain a system for tracking renewable energy certificates and RRCs that does all of the following:

1. Issues a unique electronic certificate for each MWh of renewable energy measured at the bus bar of a certified renewable facility that is located in the area covered by the tracking system, that is owned by a participating electric provider, or that is under contract to deliver electric energy to a participating electric provider. The certificate shall identify which certified renewable facility produced the MWh, when it was produced, and any other characteristics the commission finds necessary.

1m. Issues a unique electronic certificate for each MWh of conventional electricity displaced by a certified displacement facility that complies with ss. PSC 118.03 and 118.04, as calculated under s. PSC 118.09. The certificate shall identify which displacement facility displaced the MWh, when the facility operated, and any other characteristics the commission finds necessary.

2. Records renewable energy certificate and RRC ownership and each transfer between account holders.

3. Retires each renewable energy certificate and RRC that meets any of the following circumstances:

a. An electric provider uses the renewable energy certificate or RRC to meet all or part of its minimum percentage requirement under s. 196.378 (2) (a), Stats.

b. An electric provider chooses to retire the renewable energy certificate or RRC for any other reason.

(e) Audit registered renewable facilities, as needed, to verify the accuracy of metered production data.

(em) Audit registered displacement facilities, as needed, to verify the amount of displaced conventional electricity.

(f) Track and report each electric provider's compliance with the minimum percentage requirement under s. 196.378 (2) (a), Stats.

(g) Perform any other function the commission may designate.

(3) The program administrator may create an exchange procedure for purchasing and selling renewable energy certificates and RRCs.

(4) (a) Annually, the program administrator shall report to the commission the costs incurred in operating the renewable energy tracking system and recommend an assessment of these costs to electric providers and other tracking system participants that hold tracking system accounts.

(b) The commission shall review the cost allocation that the program administrator proposes under par. (a) and approve or modify this allocation. The commission shall assess these costs to each electric provider, pursuant to s. 196.85 (1) and (1m) (a), Stats.

(5) An electric provider may not use renewable energy from a decertified renewable facility to meet the electric provider's minimum percentage requirement under s. 196.378 (2) (a), Stats.,

that was produced after the facility is decertified. The program administrator may not issue RRCs for energy from a decertified renewable facility that was produced after the facility is decertified. The program administrator may not issue RRCs for conventional electricity displaced by the operation of a decertified displacement facility which displacement occurred after the facility is decertified.

**History:** CR 00-065: cr. Register July 2001, No. 547 eff. 8-1-01; CR 06-112: (5) renum. from PSC 118.05 (6) and am., am. (1) and (4) (a), r. and recr. (2), Register May 2007 No. 617, eff. 6-1-07; CR 10-47: am. (title), renum. (1) to be (1) (intro.) and am., cr. (1) (a), (b), am. (2) (b), (c) (intro.), 5., cr. (2) (cm), am. (2) (d) (intro.), cr. (2) (d) 1m., am. (2) (d) 2. 3., a., r. and recr. (2) (d) 3. b., r. (2) (d) 3. c., cr. (2) (em), am. (3), (4) (a), (5) Register March 2012 No. 675, eff. 4-1-12; CR 13-040: am. (2) (b), (c) 1., (cm) (intro.), 1., (d) 1m., (em), (5) Register April 2014 No. 700, eff. 5-1-14.

**PSC 118.07 Aggregation and allocation by wholesale suppliers.** If a wholesale supplier aggregates and allocates renewable energy, renewable energy certificates or RRCs among its members or customers, it shall do so in a manner approved by the affected members or customers.

**History:** CR 06-112: cr. Register May 2007 No. 617, eff. 6-1-07; CR 10-147: am. Register March 2012 No. 675, eff. 4-1-12.

**PSC 118.08 Double-counting prohibited.** (1) An electric provider that sells or conveys a MWh of renewable energy, a renewable energy certificate or a RRC at wholesale may not use that MWh, renewable energy certificate or RRC to meet its minimum percentage requirement under s. 196.378 (2) (a), Stats.

(2) If an electric provider sells or conveys a MWh of renewable energy, a renewable energy certificate or a RRC at retail to a customer or member that retains independent control over the disposition or retirement of the renewable energy certificate, RRC or other renewable attributes representing that MWh of renewable energy, the electric provider may not use that MWh, renewable energy certificate, or RRC to meet its minimum percentage requirements under s. 196.378 (2) (a), Stats.

(3) An electric provider or customer or member of an electric provider may not create RRCs for displaced conventional electricity based on the use of a facility for which RRCs are created under s. 196.378 (3) (a) 1., Stats.

(4) An electric provider or customer or member of an electric provider may not create RRCs for displaced conventional electricity based on hydroelectric energy for which an electric provider is permitted to use the average amount of hydroelectric power generated by the facility under s. 196.378 (2) (b) 1m. a., Stats.

**History:** CR 06-112: cr. Register May 2007 No. 617, eff. 6-1-07; CR 10-147: renum. 118.08 to be 118.08 (1) and am., cr. (2) Register March 2012 No. 675, eff. 4-1-12; CR 13-040: cr. (3), (4) Register April 2014 No. 700, eff. 5-1-14; corrections in (1), (2) made under s. 35.17, Stats., Register April 2014 No. 700.

**PSC 118.09 Calculation of displaced conventional electricity.** (1) For purposes of this section:

(a) “Total statewide renewable energy percentage” means the percentage that results from the equation of subd. 1. divided by subd. 2. as shown below:

1. The actual renewable energy sold to Wisconsin retail customers within a given year using information submitted to the commission by electric providers in their most recent renewable portfolio standard compliance reports under s. 196.378 (2) (c), Stats., including actual renewable energy used to serve all of the following programs:

a. Wisconsin electric provider renewable portfolio standard programs.

b. Any other federal or state renewable energy programs that apply to Wisconsin electric providers.

c. Wisconsin electric provider voluntary renewable energy programs.

2. The total sales of electricity to Wisconsin retail customers in that same year using information submitted to the commission by electric providers in their most recent renewable portfolio standard compliance reports under s. 196.378 (2) (c), Stats.

(b) “Total statewide conventional energy percentage” means the percentage that results from the equation of 100% minus the total statewide renewable energy percentage.

(1m) For each calendar year, the commission shall determine the total statewide conventional energy percentage for purposes of calculating the amount of RRCs per MWh to be created for displaced conventional electricity. The commission shall make this determination the calendar year before the calendar year in which the percentage will be used. The commission may, by order, also establish a different percentage for a specific type of displacement facility if its seasonal or daily operating characteristics justify a percentage that differs from the annual average percentage.

**Note:** For example, the commission will determine the 2016 total statewide renewable energy percentage in 2015 using information taken from electric provider reports, filed with the commission by April 15, 2015, that reflect renewable energy sold to Wisconsin retail customers in the calendar year of 2014.

(2) The commission may, by order, establish a displacement formula for any type of displacement facility. The commission shall base any such formula on a calculation of the minimum amount of displaced electricity that would be expected in a typical calendar year under realistic operating conditions. The commission shall provide an opportunity for public comment on any such formula before the formula is established.

(3) For each calendar year, the electric provider, customer, or member seeking to create RRCs from a certified displacement facility shall determine the net amount of electricity displaced by the displacement facility, using site-specific information and either the applicable formula established under sub. (2) or by subtracting the amount of electricity used by the displacement facility from the amount of electricity that would have been used for the same purposes by the electric device or electric service that was replaced by the displacement facility or that was used less due to the use of the displacement facility.

(4) If the value under sub. (3) is less than zero, the electric provider, customer, or member may not create any RRCs for the displacement facility for that calendar year.

(5) The amount of conventional electricity displaced by a displacement facility in a calendar year is equal to the net amount of displaced electricity determined under sub. (3), multiplied by the applicable total statewide conventional energy percentage as determined under sub. (1m).

(6) The electric provider, customer, or member creating RRCs from a displacement facility shall maintain at least three years of historical documentation of all information used in the determination made under sub. (3).

(7) For each displacement facility for which an electric provider, customer, or member is creating RRCs, the electric provider, customer, or member shall submit information to the commission to support its determination under sub. (3) at least annually. The commission may specify the timing and method for submitting information under this subsection. Determinations under sub. (3) are subject to the commission’s review and verification.

**History:** CR 10-147: cr. Register March 2012 No. 675, eff. 4-1-12; CR 13-040: am. (1) to (7) Register April 2014 No. 700, eff. 5-1-14; CR 14-053: renum. (1) to (1m) and am., cr. (1), am. (5) Register April 2015 No. 712, eff. 5-1-15; correction in (1) (b) (intro.) made under s. 35.17, Stats., Register April 2015 No. 712.