

ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

1. Type of Estimate and Analysis <input checked="" type="checkbox"/> Original <input type="checkbox"/> Updated <input type="checkbox"/> Corrected	2. Date August 7, 2024
3. Administrative Rule Chapter, Title and Number (and Clearinghouse Number if applicable) PSC 113 Service Rules for Electrical Utilities	
4. Subject Revisions for Wisconsin Administrative Code Chapter PSC 113, for Individual Electric Metering	
5. Fund Sources Affected <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEG-S	6. Chapter 20, Stats. Appropriations Affected N/A
7. Fiscal Effect of Implementing the Rule <input checked="" type="checkbox"/> No Fiscal Effect <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Increase Costs <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Indeterminate <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Could Absorb Within Agency's Budget	
8. The Rule Will Impact the Following (Check All That Apply) <input type="checkbox"/> State's Economy <input checked="" type="checkbox"/> Specific Businesses/Sectors <input type="checkbox"/> Local Government Units <input type="checkbox"/> Public Utility Rate Payers <input type="checkbox"/> Small Businesses (if checked, complete Attachment A)	
9. Estimate of Implementation and Compliance to Businesses, Local Governmental Units and Individuals, per s. 227.137(3)(b)(1). \$0	
10. Would Implementation and Compliance Costs Businesses, Local Governmental Units and Individuals Be \$10 Million or more Over Any 2-year Period, per s. 227.137(3)(b)(2)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
11. Policy Problem Addressed by the Rule In recent years, the Commission has received an increasing number of requests for waivers of this rule from both utilities and individual property owners who would be affected by the metering requirements. Some applications sought waivers for new construction of buildings that would have been exempt from the individual metering requirements if they had been remodeled, pursuant to subsection (4) of the existing rule. Other applications have sought waivers to allow individual metering that would facilitate the use of renewable energy systems and more efficient electric heating/cooling systems, which have become more widely available since the initial drafting of this rule, and others have requested temporary or permanent waivers of the individual metering requirements due to concerns such as the limited availability of individual meters due to supply chain issues. The changes to PSC 113.0803 proposed in this rulemaking will aid the Commission and its staff in interpreting and applying the individual electric metering requirements. Specifically, this rulemaking proposes changes to Wis. Admin. Code PSC 113.0803 in order to address the issues raised through recent waiver requests and similar emerging considerations and to support simplicity and clarity in future applications of the rule. The rulemaking proposes language revisions to clarify the applicability of waiver requirements and the standards which the Commission shall apply when considering waivers of the rule under Wis. Admin. Code ch. PSC 113.0803(5), as well as revisions associated with the increased deployment of renewable energy systems and energy efficient technologies.	
12. Summary of the Businesses, Business Sectors, Associations Representing Business, Local Governmental Units, and Individuals that may be Affected by the Proposed Rule that were Contacted for Comments. Wisconsin electric utilities, Wisconsin Utilities Association, owners of non-transient multi-dwelling residential buildings	
13. Identify the Local Governmental Units that Participated in the Development of this EIA. N/A	
14. Summary of Rule's Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State's Economy as a Whole (Include Implementation and Compliance Costs Expected to be	

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Incurred)

Changes to this rule are anticipated to result in minimal financial impacts to the State's economy as a whole. Increased rule clarity and modified provisions may help reduce construction and energy-related costs for building owners and tenants associated with the increased deployment of renewable energy and energy-efficient technologies. Revisions may also reduce the number of Commission staff hours spent reviewing and analyzing applications for waivers of this rule and allow staff to dedicate the additional time to other tasks. Reducing the amount of review time may result in lower assessments for the electric utilities involved, which may be passed on to their ratepayers.

15. Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule

The benefits of implementing the changes to this rule are anticipated to be less time needed to review waiver requests and more clarity on waiver request processes, thereby increasing transparency for waiver applicants and reducing Commission staff time spent on this topic. If these changes are not made, greater Commission and utility staff time may be needed to continue processing whether a waiver request is needed and providing information to the Commission for its decision.

16. Long Range Implications of Implementing the Rule

The revisions to the rule proposed are anticipated to allow for simpler and clearer long range implementation of the rule without being limited by future technology changes or new technology that affect the underlying goal of the rule.

17. Compare With Approaches Being Used by Federal Government

This rule was created in response to the Public Utility Regulatory Policies Act of 1978 (PURPA), which was implemented to encourage, among other things,

1. The conservation of electric energy.
2. Increased efficiency in the use of facilities and resources by electric utilities.
3. Equitable retail rates for electric consumers.
4. Expedient development of hydroelectric potential at existing small dams.
5. Conservation of natural gas while ensuring that rates to natural gas consumers are equitable.

PURPA stated in Section 113(b)(1) that to the extent determined appropriate under section 115(d), master metering of electric service in the case of new buildings shall be prohibited or restricted to the extent necessary to carry out the purposes of this title." PURPA Section. 115(d) states that separate metering shall be determined appropriate for any new building for purposes of Section 113(b)(1) if:

- 1) there is more than one unit in such building
- 2) the occupant of such unit has control over apportion of the electric energy used in such unit, and
- 3) with respect to such portion of electric energy used in such unit, the long-run benefits to the electric consumers in such building exceed the costs of purchasing and installing separate meters in such building.

The proposed rule revisions retain a general approach of encouraging energy efficiency as promoted by PURPA.

18. Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)

Illinois and Iowa have similar rules to Wisconsin. Iowa recently conducted a rulemaking which included analysis on how to assess whether costs of individual meters exceed the long-term benefits. Michigan and Minnesota do not require individual electric meters in multifamily residential buildings through state rules, although in some cases similar requirements are established via other platforms such as utility tariffs. Minnesota recently enacted new rules that provide detailed regulation of landlord actions in multi-metered buildings by the Minnesota Public Utility Commission.

19. Contact Name

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20. Contact Phone Number

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ATTACHMENT A

1. Summary of Rule's Economic and Fiscal Impact on Small Businesses (Separately for each Small Business Sector, Include Implementation and Compliance Costs Expected to be Incurred)

N/A

2. Summary of the data sources used to measure the Rule's impact on Small Businesses

N/A

3. Did the agency consider the following methods to reduce the impact of the Rule on Small Businesses?

- Less Stringent Compliance or Reporting Requirements
 - Less Stringent Schedules or Deadlines for Compliance or Reporting
 - Consolidation or Simplification of Reporting Requirements
 - Establishment of performance standards in lieu of Design or Operational Standards
 - Exemption of Small Businesses from some or all requirements
 - Other, describe:
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4. Describe the methods incorporated into the Rule that will reduce its impact on Small Businesses

N/A

5. Describe the Rule's Enforcement Provisions

N/A

6. Did the Agency prepare a Cost Benefit Analysis (if Yes, attach to form)

- Yes No
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