

STATEMENT OF SCOPE

Public Service Commission of Wisconsin (Docket 1-AC-252)

Rule No.: PSC 118

Relating to: In the Matter of Proposed Revisions to ch. PSC 118, Renewable Resource Credit Tracking Program

Rule Type: Permanent

Type of Statement of Scope: Original

1. Finding/nature of emergency (Emergency Rule only): N/A

2. Detailed description of the objective of the proposed rule:

On August 2, 2017, 2017 Wisconsin Act 53 was enacted to add heat that is a byproduct of a manufacturing process to the definition of a renewable resource. In addition, 2017 Wisconsin Act 53 also amended s. 196.378 (3) (a) 1m., Stats., to require the Public Service Commission to promulgate rules that allow an electric provider or customer or member of an electric provider to create a renewable resource credit for heat that is a byproduct of a manufacturing process or heat that is a byproduct of a manufacturing process and is used to provide thermal energy for another purpose. The proposed rule would revise ch. PSC 118 to conform with the requirement in s. 196.378 (3) (a) 1m., Stats.

3. Description of the existing policies relevant to the rule, new policies proposed to be included in the rule, and an analysis of policy alternatives:

The Public Service Commission has promulgated ch. PSC 118 to govern the creation and tracking of renewable resource credits. The proposed rule would revise ch. PSC 118 to allow an electric provider or customer or member of an electric provider to create a renewable resource credit for heat that is a byproduct of a manufacturing process or heat that is a byproduct of a manufacturing process and is used to provide thermal energy for another purpose. The revisions to ch. PSC 118 were required by 2017 Wisconsin Act 53 and therefore no alternative policies are applicable.

4. Detailed explanation of statutory authority for the rule (including the statutory citation and language):

This rule is authorized under ss. 196.02 (1) and (3), 196.378 (3) (a) 1m., and 227.11, Stats.

Section 196.02 (1), Stats., authorizes the commission to do all things necessary and convenient to its jurisdiction. Section 196.02 (3), Stats., grants the commission specific authority to promulgate rules. Section 196.378 (3) (a) 1m., Stats., requires the Commission to promulgate rules that allow an electric provider or customer or member of an electric provider to create a renewable resource credit for heat that is a byproduct of a manufacturing process or heat that is a byproduct of a manufacturing process and is used to provide thermal energy for another purpose. Section 227.11, Stats., authorizes agencies to promulgate administrative rules.

Section 196.378 (3) (a) 1m., Stats., provides as follows:

The commission shall promulgate rules that allow an electric provider or customer or member of an electric provider to create a renewable resource credit based on use in a year by the electric provider, customer, or member of solar energy, including solar water heating and direct solar applications such as solar light pipe technology; wind energy; hydroelectric energy; geothermal energy; biomass; biogas; synthetic gas created by the plasma gasification of waste; densified fuel pellets described in sub. (1) (h) 1. i.; or fuel described in sub. (1) (h) 1. j.; heat as described in sub. (1) (h) 1. k.; or heat that is a byproduct of a manufacturing process and is used to provide thermal energy for another purpose; but only if the use displaces the electric provider's, customer's, or member's use of electricity that is derived from conventional resources, and only if the displacement is verifiable and measurable, as determined by the commission. The rules shall allow an electric provider, customer, or member to create a renewable resource credit based on 100 percent of the amount of the displacement. The rules shall also allow an electric provider, customer, or member to create a renewable resource credit under this subdivision regardless of when the source used to create the credit was placed in service. The rules may not allow an electric provider to create renewable resource credits under this subdivision based on renewable energy upon which renewable resource credits are created under subd. 1. The rules may also not allow an electric provider to create renewable resource credits under this subdivision based on hydroelectric energy that is not eligible for creating renewable resource credits under subd. 1.

5. Estimate of amount of time that state employees will spend developing the rule and of other resources necessary to develop the rule:

The Public Service Commission estimates that approximately 100 hours of employee time will be required to develop the rules.

6. List with description of all entities that may be affected by the proposed rule:

The rule may impact electric providers or customers or member of an electric providers that produce heat that is a byproduct of a manufacturing process or heat that is a byproduct of a manufacturing process and is used to provide thermal energy for another purpose.

7. Summary and preliminary comparison of any existing or proposed federal regulation that is intended to address the activities to be regulated by the rule:

No federal renewable portfolio standard (RPS) exists at this time. Like Wisconsin, Illinois, Michigan and Minnesota have adopted RPS mandates. Iowa, however, has not adopted an RPS mandate but has adopted alternate energy production requirements.

8. Anticipated economic impact of implementing the rule:

The proposed rule is expected to have no fiscal impact as 2017 Wisconsin Act 53 added heat that is a byproduct of a manufacturing process to the definition of a renewable resource and this rule conforms ch. PSC 118 to the statutory language. The proposed rule is expected to have no economic impact on small businesses.

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