

# Public Service Commission of Wisconsin

Rebecca Cameron Valcq, Chairperson  
Ellen Nowak, Commissioner  
Tyler Huebner, Commissioner

4822 Madison Yards Way  
P.O. Box 7854  
Madison, WI 53707-7854

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Michael J. Queensland, Chief Clerk  
Wisconsin State Senate  
P.O. Box 7882  
Madison, WI 53707-7882

Ted Blazel, Chief Clerk  
Wisconsin State Assembly  
17 West Main Street, Room 401  
Madison, WI 53703

Dear Chief Clerks Queensland and Blazel:

Enclosed is the report of the Public Service Commission of Wisconsin (Commission), entitled “*Energy Efficiency and Renewable Resource Program Activities in Wisconsin, January-December 2021.*” Wisconsin Stat. § 196.347 requires the Commission to send a summary to the Legislature and to post the full report on the Commission’s internet site on the following programs: the statewide energy efficiency and renewable resource program (*Focus on Energy*), and municipal utility and electric cooperative programs. In addition, this report includes information on the Voluntary Utility Programs as well as the Department of Administration’s Home Energy Assistance Program (Weatherization) in order to provide a more complete picture of state energy efficiency activities.

During the 2021 program year, Focus on Energy assisted over 1,118,538 business and residential customers across the state to reduce their energy waste. The customer satisfaction score for Wisconsinites participating in the program reached an all-time high of 9.5 on a 10-point scale.

Just as importantly, at current funding levels, for every dollar spent, the program delivered \$4.84 in economic and non-economic benefits to Wisconsin homeowners and businesses. The full report for the January-December 2021 contract period can be found on the Commission’s web site:

<https://psc.wi.gov/Pages/Regulatory/FocusReport.aspx>.

Should you have any questions, please contact Jolene Sheil of Commission staff at (608) 266-7375 or [jolene.sheil@wisconsin.gov](mailto:jolene.sheil@wisconsin.gov).

Sincerely,

Rebecca Cameron Valcq  
Chairperson  
Public Service Commission of Wisconsin

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**Public Service Commission Report to the Legislature:  
Summary of Energy Efficiency and Renewable Resource Program  
Activities in Wisconsin**

**January–December 2021**

This summary provides information on the following: 1) 2021 verified gross lifecycle savings results for Focus on Energy (Focus); 2) 2021 audited revenue and expenditures by category for Focus; and 3) the municipal and electric cooperative summary for Commitment to Community Programs (CTC). For the full report, visit the Commission website at: <https://psc.wi.gov/Pages/Regulatory/FocusReport.aspx>

**1. EFFECTIVENESS OF FOCUS PROGRAMS IN REDUCING DEMAND FOR ELECTRICITY AND INCREASING USE OF RENEWABLE RESOURCES OWNED BY CUSTOMERS**

2021 was the third year of the third Quadrennium (2019-2022) and some of the highlights include:

- For every dollar invested in energy efficiency, Focus provided \$2.35 in benefits; when economic benefits are added, the benefits increase to \$4.84 for each dollar invested.
- Customer satisfaction levels are high and continue to increase. Across all Focus programs, customer satisfaction was measured at 9.5 on a 10-point scale.

**Table 1: Verified Gross Lifecycle Energy Savings: January 1-December 31, 2021**

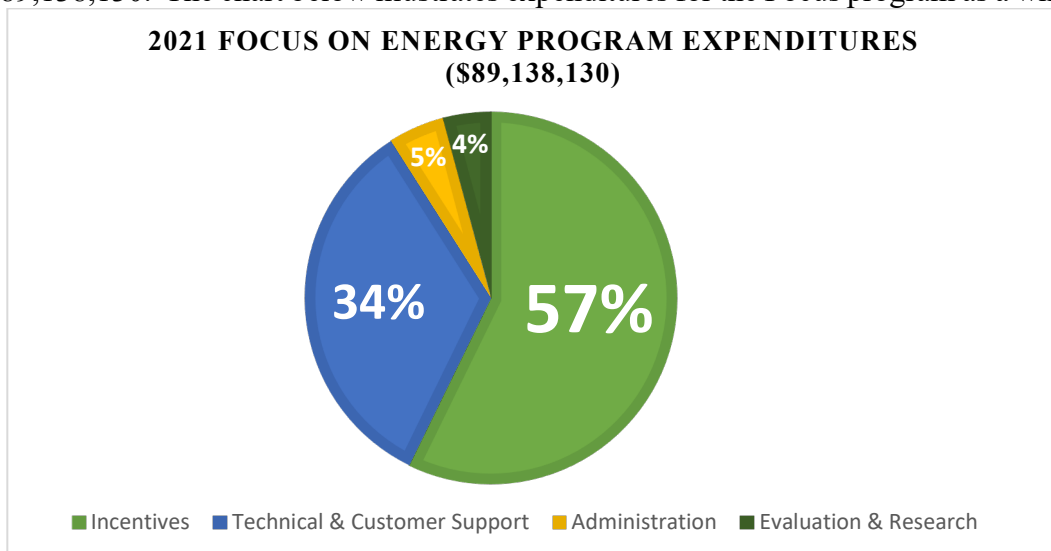
Portfolio	Participants	Verified Gross kWh*	Verified Gross kW*	Verified Gross Therms*	MMBtu	Benefit Cost Ratio
Non-Residential	4,283	6,494,125,244	59,379	273,584,829	49,516,438	2.82
Residential	1,112,700+	2,817,322,462	32,514	65,066,257	16,119,330	1.65
Midstream	1,555	43,336,920	263	6,051,445	753,010	1.52
<b>FOCUS TOTAL</b>	<b>1,118,538</b>	<b>9,354,784,626</b>	<b>92,156</b>	<b>344,702,531</b>	<b>66,388,778</b>	<b>2.35</b>

+ This number includes 949,459 participants in the Retail Lighting and Appliance program.

\* Verified gross savings numbers are savings that have gone through an engineering review by evaluators to determine whether the reported gross savings were reasonable.

**2. AUDITED 2021 REVENUES AND EXPENDITURES – FOCUS PROGRAM**

Total revenues for 2021 were \$99,900,418. Program expenses for the 2021 period were \$89,138,130. The chart below illustrates expenditures for the Focus program as a whole in 2021.



The program expense categories are defined below:

- **Incentives** are cash payments to Customers & Trade Allies and instant discounts received at point of purchase at participating retail locations.
- **Technical & Customer Support** costs include project identification, engineering calculation & modeling, inspection of installed projects, trade ally contractor outreach, technical training, and customer service.
- **Administrative** costs are not directly associated with a specific program activity but are necessary to the development and administration of programs, including record-keeping, payroll, accounting, auditing, billing, business management, budgeting and related activities, and overhead allocation, but do not include program evaluation.
- **Evaluation** costs are those associated with independently verifying program energy savings and supporting continuous program improvement through analysis of markets, technologies, and program operations.
- **Research** costs are those associated with energy efficiency and renewable research and screening of new solutions.

Expenses by portfolio were: Residential (\$32,080,766), Business (\$44,909,045), and Rural Programs (\$6,882,854). In any given program year, not all dollars contributed are expended and therefore “carry over” into the following program year. Carryover dollars from 2021 that carried over into 2022, totaled \$10,260,393. These funds were obligated back into programs in the 2022 and 2023 calendar years.

### 3. MUNICIPAL ELECTRIC AND RETAIL ELECTRIC COOPERATIVE SAVINGS AND EXPENDITURES

Wisconsin Stat. § 196.374(7)(a) requires municipal utilities and retail electric cooperatives to collect an annual average of \$8 per meter for energy efficiency programs. The monthly fee may not exceed 1.5 percent of the total of every other charge for which the customer or member is billed for that month or \$375 per month, whichever is less. Each municipal utility or retail electric cooperative can choose to send the dollars collected to the Focus program or keep them and operate its own Commitment to Community (CTC) programs. Wisconsin Stat. § 196.374(7)(e) requires that an electric cooperative or municipal utility operating its own CTC program file a report that includes the following: 1) an accounting of fees charged to customers or members in the year, 2) expenditures on CTC programs, 3) a description of CTC programs established for the year, and 4) the effectiveness of the CTC programs in reducing demand for electricity by customers or members.

In 2021, 11 cooperatives, all 41 WPPI Energy (WPPI) municipal electric utilities, and all 41 non-WPPI municipal utilities sent their energy efficiency funds to Focus, while 13 retail electric cooperatives operated CTC programs. CTC reports for these 13 cooperatives can be found by visiting the PSC website: <https://psc.wi.gov> and typing in docket number 5-GF-177 on the E-Services Portal.

The energy savings estimates are calculated by the cooperatives and are not subject to the same evaluation procedures as the Focus savings. As a result, Commission staff cannot verify these CTC energy savings claims and does not recommend adding these savings to the Focus savings for the purposes of calculating statewide energy savings.