



2005 SENATE BILL 459

November 29, 2005 - Introduced by COMMITTEE ON ENERGY, UTILITIES AND INFORMATION TECHNOLOGY. Referred to Committee on Energy, Utilities and Information Technology.

1 **AN ACT** *to repeal* 16.957 (2) (b) 2., 16.957 (2) (c) 2n., 16.957 (2) (d) 3., 16.957 (2)
2 (d) 4. b. and c., 16.957 (3) (title), 16.957 (4) (b), 16.957 (4) (c) (title), 16.957 (4)
3 (c) (intro.), 16.957 (4) (c) 2., 16.957 (4) (c) 3., 16.958, 20.505 (3) (rr), 20.505 (3)
4 (s), 25.17 (1) (ai), 25.97, 101.027 (1) (b), 196.374 (1) (b), 196.374 (4), 196.378 (1)
5 (bm), 196.378 (1) (e), 196.378 (2) (b) 3., 196.86, 285.48 (3) (d) 3. and 285.48 (3)
6 (d) 4.; **to renumber** 16.957 (4) (c) 1. a. and b. and 196.374 (1) (a); **to renumber**
7 **and amend** 16.957 (2) (b) 1., 16.957 (3) (a), 16.957 (4) (am), 16.957 (4) (c) 1.
8 (intro.), 196.374 (1) (c), 196.378 (1) (n) and 196.378 (3) (a); **to consolidate,**
9 **renumber and amend** 16.957 (2) (d) 4. (intro.), a. and d., 16.957 (3) (b) and (c)
10 and 101.027 (1) (intro.) and (a); **to amend** 16.957 (1) (c), 16.957 (1) (h), 16.957
11 (1) (L), 16.957 (1) (o) 1m., 16.957 (1) (o) 3., 16.957 (2) (intro.), 16.957 (2) (a)
12 (intro.), 16.957 (2) (b) (title), 16.957 (2) (c) (intro.), 16.957 (2) (c) 1., 16.957 (2)
13 (c) 2., 16.957 (2) (c) 2m., 16.957 (2) (c) 4., 16.957 (2) (d) 2., 16.957 (4) (a), 16.957
14 (4) (c) 1. c., 16.957 (5) (b) 1., 16.957 (5) (b) 2., 16.957 (5) (c), 16.957 (5) (d) 1. a.,

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1 16.957 (5) (d) 1. b., 16.957 (5) (d) 2. (intro.), 16.957 (5) (d) 2. a., 16.957 (5) (d) 2.
2 b., 16.957 (5) (d) 3. (intro.), 16.957 (5) (d) 3. a., 16.957 (5) (d) 3. b., 16.957 (5) (e)
3 (intro.), 16.957 (5) (e) 1., 16.957 (5) (e) 2., 25.96, 76.28 (1) (d), 76.48 (1g) (d), 77.54
4 (44), 79.005 (4) (d), 101.027 (2), 101.027 (3) (a) 1., 101.027 (3) (a) 2., 101.027 (3)
5 (b) 1., 101.027 (3) (b) 2., 196.374 (title), 196.374 (2) (intro.), 196.374 (3), 196.378
6 (1) (a), 196.378 (1) (g), 196.378 (1) (i), 196.378 (2) (c), 196.378 (3) (b), 285.48 (1)
7 (c), 285.48 (2), 285.48 (4) (a) and 285.48 (4) (b); **to repeal and recreate** 196.378
8 (2) (a) and 196.378 (2) (e); and **to create** 13.94 (1) (r), 16.75 (12), 16.855 (10s),
9 16.957 (1) (hm), 16.957 (1) (qg), 16.957 (1) (rm), 16.957 (2) (bg), 16.957 (2) (br)
10 (title), 16.957 (2) (d) 5., 20.924 (1) (j), 71.26 (1) (g), 196.374 (1) (title), 196.374
11 (1) (an), 196.374 (1) (ar), 196.374 (1) (aw), 196.374 (1) (be), 196.374 (1) (bm),
12 196.374 (1) (bs), 196.374 (2) (title), 196.374 (3m), 196.374 (3r), 196.374 (4m),
13 196.374 (5), 196.374 (7), 196.378 (1) (fm), 196.378 (1) (n) 2., 196.378 (3) (a) 2.,
14 196.378 (3) (c) and 196.378 (4m) of the statutes; **relating to:** administration
15 and funding of programs for utility public benefits; renewable energy
16 requirements for utilities and retail electric cooperatives; energy efficiency
17 requirements for state construction; revising and reviewing the state energy
18 conservation code; state use of renewable energy resources; anaerobic digester
19 research; and granting rule-making authority.

Analysis by the Legislative Reference Bureau

This bill does all of the following: 1) makes changes to the “public benefits program”; 2) makes changes to renewable energy requirements that apply to electric utilities and cooperatives; 3) creates requirements for certain state agencies to generate or purchase renewable energy; 4) imposes energy efficiency standards on certain state contracts; 5) makes changes to the state energy conservation code; and 6) requires a funding request for anaerobic digester research.

SENATE BILL 459**PUBLIC BENEFITS PROGRAM**

Under current law, the Department of Administration (DOA) is required to establish programs for providing energy assistance to low-income households (low-income programs), for energy conservation and efficiency services (energy efficiency programs), and for encouraging the development and use of renewable energy resources (renewable resource programs). Collectively, these programs are commonly referred to as the public benefits program. DOA is required to contract with nonprofit corporations, community action agencies, or local units of government to provide services under the low-income programs, and to contract with nonprofit corporations to administer the energy efficiency and renewable resource programs. There are three sources of funding for the public benefits program.

The first funding source consists of monthly public benefits fees that DOA collects from nonmunicipal electric utilities, which must charge the fees to their customers. Municipal electric utilities and retail electric cooperatives (municipal utilities and cooperatives) are also required to charge monthly public benefits fees to their customers or members. Every three years, a municipal utility or cooperative may elect to contribute all or a specified portion of the public benefits fees to DOA. A municipal utility or cooperative that does not elect to contribute all of the public benefits fees to DOA must spend specified portions of the fees on its own low-income, energy efficiency, and renewable resource programs. DOA deposits all public benefits fees received from nonmunicipal electric utilities, municipal utilities, and cooperatives into the utility public benefits fund.

Regarding the first funding source, current law requires DOA to promulgate rules for determining the amount of monthly public benefits fees that electric utilities must charge customers. There are two portions to the amount. One portion is the amount needed in a fiscal year for the low-income programs. Current law specifies a formula for DOA to use to determine this portion. The other portion is the amount needed in a fiscal year for the energy efficiency and renewable resource programs. Under current law, the amount for this portion is the difference between \$20 million and 50 percent of the estimated public benefits fees charged by municipal utilities and cooperatives in a fiscal year. However, under certain circumstances, DOA may reduce the amount for this portion. With respect to municipal utilities and cooperatives, current law requires them to charge monthly public benefits fees that ensure that they collect an annual average of \$16 per meter.

The second funding source consists of contributions made by nonmunicipal gas and electric utilities. Under current law, the Public Service Commission (PSC) is required to determine the amount that a gas or electric utility spent on low-income, conservation, renewables, and environmental research and development programs in 1998. Each year, a gas or electric utility must spend a decreasing portion of the amount spent on each type of program and contribute an increasing portion of such amount to the PSC for deposit in the utility public benefits fund.

The third funding source consists of voluntary contributions made by customers of nonmunicipal electric utilities and municipal utilities and members of cooperatives. The voluntary contributions are also deposited into the utility public benefits fund.

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The bill makes the following changes to the public benefits program:

In general. Regarding the first funding source described above, the bill eliminates DOA's role in determining the amounts needed to fund energy efficiency and renewable resource programs, and requires the PSC to determine such amounts. The bill makes no changes to DOA's determination of the amount needed for low-income programs. The bill makes no substantive changes to the second funding source described above. The bill makes no substantive changes to the requirements under current law regarding municipal utilities and cooperatives. The bill requires the PSC to contract with a fiscal agent to collect the funding for the public benefits program (fiscal agent).

Funding. Regarding the first funding source described above, the bill requires the PSC to determine the amount needed for energy efficiency and renewable resource programs, which must be an amount equal to the amount that would be generated under current law under the portion of the public benefits fee for energy efficiency and renewable resource programs that are described above. The PSC must also determine the amount that each nonmunicipal electric utility must collect from ratepayers to collect the total amount needed for low-income programs, as determined by DOA. Nonmunicipal electric utilities must pay the amounts collected from ratepayers to the fiscal agent. Nonmunicipal electric utilities must also pay to the fiscal agent the contributions under the second funding source described above.

For municipal utilities and cooperatives, the bill makes no changes, except that, if a municipal utility or cooperative elects to contribute monthly public benefits fees, rather than administer its own programs, the municipal utility or cooperative must pay the fees to the fiscal agent. Likewise, the bill requires voluntary contributions described under the third funding source above to be paid to the fiscal agent.

The fiscal agent must deposit any funding it receives for low-income programs in the utility public benefits fund. With respect to any funding that the fiscal agent receives for energy efficiency and renewable resource programs, the fiscal agent must hold such funding in trust exclusively for the payment of grants as directed by DOA.

Program administration. The bill makes no changes to the low-income programs administered by DOA under current law. With respect to energy efficiency and renewable resource programs, as under current law, DOA must contract with nonprofit corporations to administer the programs. In addition, the bill requires DOA to direct the fiscal agent to pay grants for the programs. However, the bill requires the PSC to oversee the measurement and evaluation of the programs. Also, the PSC must contract with an independent auditor to evaluate the programs and submit annual reports to the legislature regarding the audits.

Utility-administered programs. The bill allows nonmunicipal electric utilities to administer their own public benefits programs in their service territories, but only with the approval of the PSC. For energy efficiency and renewable resource programs, the PSC may, under certain circumstances, allow a nonmunicipal electric utility to retain a portion of the amount it is otherwise required to pay to the fiscal agent.

Other changes. The bill also does all of the following:

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1. The bill allows the fiscal agent to collect from nonmunicipal electric utilities the amounts needed for the fiscal agent's expenses, as specified in the contract with the PSC.

2. The bill requires nonmunicipal electric utilities to identify on customer bills the amounts collected for the public benefits program. In addition, nonmunicipal electric utilities must provide an annual statement to customers identifying the costs and benefits of the program.

3. The bill requires the PSC to ensure in rate-making orders that nonmunicipal electric utilities recover from ratepayers the following: 1) the payments that the utilities make to the fiscal agent; and 2) the amounts spent on public benefits programs administered by the utilities.

4. The bill requires the PSC to ensure that the funding required for energy efficiency and renewable resource programs is equitably divided among nonmunicipal electric utilities so that similarly situated ratepayers contribute equivalent amounts.

5. The bill eliminates provisions under current law regarding the air quality improvement fund. (The fund was created in the same act as the public benefits program. The conditions necessary for depositing money into the fund and paying grants from the fund have never occurred.)

RENEWABLE PORTFOLIO STANDARD

Under current law, electric utilities and cooperatives must comply with deadlines for providing electricity derived from renewable resources, as defined under current law, to their customers and members in specified percentages of their total retail electric sales. The percentages and deadlines are as follows: 1.2 percent by December 31, 2005; 1.55 percent by December 31, 2007; 1.9 percent by December 31, 2009; and 2.2 percent by December 31, 2011. The percentages may be satisfied by providing such electricity directly to customers and members or by purchasing renewable resource credits from other electric utilities and cooperatives. The foregoing requirements are commonly referred to as the renewable portfolio standard.

The bill eliminates the deadlines described above and creates new deadlines that are based on the percentage of an electric utility's or cooperative's total retail sales in 2004 that were derived from renewable energy resources. (In general, the bill does not affect the definition of renewable resources under current law.) By December 31, 2010, each electric utility and cooperative must increase its percentage so that it is at least two percentage points above the 2004 percentage. By December 31, 2015, each electric utility and cooperative must increase its percentage so that it is at least six percentage points above the 2004 percentage. In addition, by December 31, 2015, each electric utility and cooperative must have a percentage that is sufficient to ensure that the average percentage for all electric utilities and cooperatives is at least 10 percent. The bill requires electric utilities and cooperatives to submit annual reports to the PSC identifying their percentage for the previous year and describing their compliance with the foregoing requirements and their plans for future compliance. No later than 90 days after the PSC receives a report from an electric utility or cooperative, the PSC must inform the electric utility

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or cooperative whether the electric utility or cooperative is compliance with the foregoing requirements.

Under the bill, an electric utility or cooperative may request that the PSC grant a delay for complying with the foregoing deadlines. The PSC may grant the delay, but only if the electric utility or cooperative demonstrates good faith efforts to comply and makes an additional demonstration regarding any of the following: 1) undesirable impacts on the reliability of the electric utility's or cooperative's system; 2) excessive increases in rates; 3) delays in obtaining required approvals; or 4) transmission constraints.

The bill changes certain requirements under current law for calculating an electric utility or cooperative's percentage. Under current law, an electric utility or cooperative can include in the percentage electricity derived from renewable energy facilities owned or operated by the electric utility or cooperative. Under the bill, if an electric utility or cooperative is part of an interconnected multistate system serving this state, the electric utility or cooperative may also include electricity derived from renewable energy facilities in that system, even if they are not owned or operated by the electric utility or cooperative. The bill also changes the requirements for energy derived from hydroelectric plants. Under current law, hydroelectric plants with a capacity of less than 60 megawatts are considered renewable energy resources. However, if such a plant was in service before January 1, 1998, no more than 0.6 percent of an electric utility's or cooperative's percentage may be attributable to such a plant. The bill eliminates this restriction. As result, any electricity derived from a hydroelectric power plant with a capacity of less than 60 megawatts, even if the plant was in service before January 1, 1998, may be included in the percentage.

The bill also makes certain changes to credits. Under current law, an electric utility or cooperative that exceeds a required percentage may create a credit that the electric utility or cooperative may use to satisfy a percentage in a subsequent year or sell to another electric utility or cooperative that the purchasing electric utility or cooperative may use to satisfy a percentage. Current law requires the PSC to promulgate rules for calculating and using credits.

The bill provides that any credit created under current law may not be used after December 31, 2011. The bill also provides that any credit created after the effective date of the bill may not be used four years after it is created, except that the PSC may promulgate rules specifying a different time period. The PSC may promulgate such rules if a different time period is necessary for consistency with any regional credit trading program that applies in this state. The bill also creates new requirements for calculating the amount of a credit created after January 1, 2004, from a facility that was placed in service before January 1, 2004. Under the bill, the PSC must promulgate rules that provide that the amount of such a credit is limited to the incremental increase in output from the facility that is due to capacity improvements made after January 1, 2004.

The bill also requires the PSC to promulgate rules that allow a wholesale customer of an electric utility or cooperative to use an allocated portion of a credit purchased by the electric utility or cooperative. However, the rules must provide that

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the wholesale customer may use the allocated portion only if the cost of renewable energy resources is included in wholesale rates paid by the wholesale customer. The PSC's rules must specify the manner for making the allocation. Current law does not address whether wholesale customers can use credits in such a manner.

STATE AGENCY USE OF RENEWABLE ENERGY

The bill requires DOA to establish goals for specified state agencies to generate or purchase electric energy derived from renewable resources. ("Renewable resources" has the same meaning as "renewable resources" under the renewable portfolio standard described above.) The agencies that are subject to the goals are: DOA, the Department of Corrections, the Department of Health and Family Services, the Department of Natural Resources, the Department of Public Instruction, the Department of Veterans Affairs, the State Fair Park Board, and the Board of Regents of the University of Wisconsin System. The goals apply to electric energy generated or purchased by the state for power, heating, or cooling purposes for all state owned or leased buildings occupied, operated, or used by the foregoing agencies.

The bill requires DOA to establish goals for each agency that are designed to accomplish the following goals: 1) that the percentage of electric energy generated or purchased by all of the above agencies for the above purposes that is derived from renewable resources (which the bill defines as the "renewable percentage") by December 31, 2006, is at least 10 percent; and 2) that the renewable percentage by December 31, 2011, is at least 20 percent. In determining whether the goals are accomplished, DOA must calculate renewable percentages based on the annual average for the three years prior to the foregoing deadlines. However, notwithstanding these goals, the bill provides that no agency is required to generate or purchase electric energy derived from renewable resources if the generation or purchase is not technically feasible or cost-effective. The bill requires DOA to submit an annual report to the governor and legislature regarding the attainment of the goals during the preceding year.

The bill also requires, in each fiscal year, that DOA determine the costs incurred by the agencies in complying with the goals that are in excess of the costs the agencies would have incurred in the absence of such goals. DOA must certify the amount that it determines to the PSC. The PSC must require the fiscal agent described above to collect from nonmunicipal electric utilities the amount certified or \$1,000,000, whichever is less, and deposit the amount collected in the utility public benefits fund. In each fiscal year, DOA must transfer the amount collected from the utility public benefits fund to the general fund. However, if an agency's utility costs are paid from a segregated fund, DOA must reduce the transfer to the general fund by an amount that DOA determines is attributable to such utility costs, and transfer the amount of the reduction from the utility public benefits fund to the segregated fund.

ENERGY EFFICIENCY STANDARDS UNDER STATE CONTRACTS

The bill requires DOA to prescribe and annually review and revise as necessary energy efficiency standards for equipment installed under state construction projects. The equipment subject to the standards is equipment relating to heating, ventilation, air conditioning, water heating or cooling, lighting, refrigeration, or any

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function that consumes energy. The standards must meet or exceed the following: 1) U.S. Environmental Protection Agency guidelines; 2) guidelines that apply to a federal energy management program for federal energy consumption; and 3) standards established by the American Society of Heating, Refrigerating and Air-Conditioning Engineers (society).

For equipment that is subject to the guidelines, DOA must ensure that specifications for the equipment under any contract administered by DOA meet the standards. If there is no standard for the type of equipment purchased under a contract, or if equipment that meets a standard is not reasonably available, DOA must ensure that the equipment that is selected maximizes energy efficiency to the extent technically and economically feasible. The bill includes requirements for DOA to determine whether or not equipment meeting a standard is reasonably available, as well as for determining whether the energy efficiency of equipment selected is economically feasible.

The bill also prohibits the Building Commission from entering into a lease or other contract that provides for construction of a building, structure, or facility to be initially occupied by the state and that contains an option for the state to purchase the building, structure, or facility, unless the lessor or seller agrees that all energy-consuming equipment to be installed meets the standards described above.

ENERGY CONSERVATION CODE

Under current law, the Department of Commerce (department) is required to promulgate an Energy Conservation Code for the purpose of energy conservation in public buildings and places of employment and to review that code. In conducting the review, the department must consider incorporating into the Energy Conservation Code design requirements from the most current national energy efficiency design standards that are generally acceptable and used by engineers and the construction industry, including a 1989 version of a standard adopted by the society. The department must promulgate rules that revise that code to improve energy conservation whenever the society revises its standards for the energy efficient design of new buildings and whenever five years have elapsed since the last review of that code.

This bill eliminates the reference to the 1989 version of the standards described above, and refers instead to the International Energy Conservation Code. The bill also changes the five-year revision requirement to a three-year requirement. In addition, the bill requires the department, notwithstanding the foregoing requirements, to begin a review of the Energy Conservation Code on the effective date of the bill and to complete that review and submit proposed rules changing the Energy Conservation Code to improve energy conservation to the Legislative Council Staff by no later than the first day of the 18th month beginning after the effective date of the bill. In conducting the review, the department must consider incorporating the most recent national standards of the society.

ANAEROBIC DIGESTOR RESEARCH

The bill requires the Department of Agriculture, Trade and Consumer Protection to include, as part of its 2007-09 biennial budget request, a proposal to provide additional funding for the research and development of anaerobic digestors

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at farms participating in the Discovery Farms Program under the Wisconsin Agricultural Stewardship Initiative.

For further information see the *state and local* fiscal estimate, which will be printed as an appendix to this bill.

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

1 **SECTION 1.** 13.94 (1) (r) of the statutes is created to read:

2 13.94 (1) (r) Audit the records of the fiscal agent, as defined in s. 16.957 (1) (hm),
3 as requested by the public service commission or the joint legislative audit
4 committee.

5 **SECTION 2.** 16.75 (12) of the statutes is created to read:

6 16.75 (12) (a) In this subsection:

7 1. “Agency” means the department of administration, the department of
8 corrections, the department of health and family services, the department of natural
9 resources, the department of public instruction, the department of veterans affairs,
10 the state fair park board, and the Board of Regents of the University of Wisconsin
11 System.

12 2. “Agency building” means any state-owned or leased building that is
13 occupied, operated, or used by an agency.

14 3. “Renewable percentage” means the percentage of total annual electric
15 energy that is derived from renewable resources.

16 4. “Renewable resource” has the meaning given in s. 196.378 (1) (h) 1. or 2. and
17 includes a resource, as defined in s. 196.378 (1) (j), that derives electricity from
18 hydroelectric power.

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1 5. “Total annual electric energy” means the total annual amount of electric
2 energy generated or purchased by the state for power, heating, or cooling purposes
3 for all agency buildings.

4 (b) The department shall establish goals for each agency that are designed to
5 accomplish the following goals:

6 1. That the renewable percentage for total annual electric energy by December
7 31, 2006, is at least 10 percent.

8 2. That the renewable percentage for total annual electric energy by December
9 31, 2011, is at least 20 percent.

10 (c) In determining whether the goals under par. (b) are accomplished, the
11 department shall calculate total annual electric energy on the basis of an average of
12 the total annual electric energy during the 3 years prior to the specified dates.

13 (d) Notwithstanding par. (b), an agency is not required to generate or purchase
14 electric energy derived from renewable resources if the generation or purchase is not
15 technically feasible or cost-effective.

16 (e) In each fiscal year, the department shall do all of the following:

17 1. Determine the costs incurred by each agency in the prior fiscal year to attain
18 the goals established under par. (b) that are in excess of the costs the agency would
19 have incurred in the prior fiscal year in the absence of such goals.

20 2. Determine the total costs determined under subd. 1. for all agencies and
21 certify the total costs to the public service commission.

22 (f) 1. Except as provided in subd. 2., in each fiscal year, the department shall
23 transfer from the utility public benefits fund to the general fund the amount
24 determined under par. (e) 2., or \$1,000,000, whichever is less.

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1 2. If an agency's electric utility costs are paid from a segregated fund, the
2 department shall reduce the transfer to the general fund under subd. 1. by an
3 amount that the department determines is attributable to such costs and the
4 department shall transfer from the utility public benefits fund to the segregated fund
5 the amount of the reduction.

6 (g) No later than March 1 of each year, the department shall submit a report
7 to the governor and chief clerk of each house of the legislature, for distribution to the
8 legislature under s. 13.172 (2), concerning the degree of attainment and, if
9 applicable, reasons for nonattainment by the state during the preceding year in
10 meeting the goals established by the department under par. (b).

11 **SECTION 3.** 16.855 (10s) of the statutes is created to read:

12 16.855 (10s) (a) The department shall, by rule, prescribe and annually review
13 and revise as necessary energy efficiency standards for equipment that is installed
14 as a component of a construction project and that relates to heating, ventilation, air
15 conditioning, water heating or cooling, lighting, refrigeration, or any other function
16 that consumes energy. The standards shall meet or exceed current applicable
17 guidelines of the federal environmental protection agency relating to energy
18 efficiency of the functions specified in this paragraph, guidelines that apply to the
19 federal energy management program under 42 USC 8251 et seq., and standards
20 established by the American society of heating, refrigerating and air-conditioning
21 engineers.

22 (b) The department shall ensure that the specifications for any equipment that
23 is designed for heating, ventilation, air conditioning, water heating or cooling,
24 lighting, refrigeration, or any other function that consumes energy under any
25 construction project contract administered by the department meet applicable

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1 standards established under par. (a). If there is no standard under par. (a) applicable
2 to the type of equipment being purchased or if the equipment meeting that standard
3 is not reasonably available, the department shall ensure that energy consumption
4 within a building, structure, or facility and all equipment that is purchased under
5 each contract administered by the department maximizes energy efficiency to the
6 extent technically and economically feasible. The department shall not determine
7 that equipment that meets the applicable standard under par. (a) is not reasonably
8 available on the basis of cost alone unless the difference in the cost of the purchase
9 and installation of the equipment that meets the standard and the equipment that
10 would otherwise be installed is greater than the difference in the cost of operating
11 the equipment that meets the standard and the equipment that would otherwise be
12 installed over the anticipated life of the equipment. The energy efficiency of
13 equipment shall be considered to be economically feasible if the difference between
14 the cost of the purchase and installation of energy-efficient equipment and the
15 equipment that would otherwise be installed is not greater than the difference
16 between the cost of operating energy-efficient equipment and the equipment that
17 would otherwise be installed over the anticipated life of the equipment.

18 **SECTION 4.** 16.957 (1) (c) of the statutes is amended to read:

19 16.957 (1) (c) “Commitment to community program” means a ~~program by a~~
20 ~~municipal utility or retail electric cooperative for low-income assistance or an energy~~
21 ~~conservation~~ efficiency program by a municipal utility or retail electric cooperative.

22 **SECTION 5.** 16.957 (1) (h) of the statutes is amended to read:

23 16.957 (1) (h) “Energy ~~conservation~~ efficiency program” means a program for
24 reducing the demand for natural gas or electricity or improving the efficiency of its
25 use during any period, including a research and development program regarding the

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1 environmental impacts of the electric industry, but not including any program that
2 the commission allows an electric utility to administer under s. 196.374 (3m) (d).

3 **SECTION 6.** 16.957 (1) (hm) of the statutes is created to read:

4 16.957 (1) (hm) "Fiscal agent" has the meaning given in s. 196.374 (1) (aw).

5 **SECTION 7.** 16.957 (1) (L) of the statutes is amended to read:

6 16.957 (1) (L) "Low-income assistance program" means a program for
7 providing assistance to low-income households for weatherization and other energy
8 conservation services, payment of energy bills or early identification or prevention
9 of energy crises.

10 **SECTION 8.** 16.957 (1) (o) 1m. of the statutes is amended to read:

11 16.957 (1) (o) 1m. The amount of the portion of the public benefits fee for fiscal
12 year 1999-2000 that is specified in sub. (4) (c) 1., 2003 stats ~~The amount specified~~
13 ~~in this subdivision shall not be subject to the reduction under 1999 Wisconsin Act 9,~~
14 ~~section 9101 (1zv) (a).~~

15 **SECTION 9.** 16.957 (1) (o) 3. of the statutes is amended to read:

16 16.957 (1) (o) 3. Fifty percent of the amount of public benefits fees that
17 municipal utilities and retail electric cooperatives are required to charge under sub.
18 (5) (a) in fiscal year 1999-2000. ~~The amount specified in this subdivision shall not~~
19 ~~be subject to the reduction under 1999 Wisconsin Act 9, section 9101 (1zv) (c).~~

20 **SECTION 10.** 16.957 (1) (qg) of the statutes is created to read:

21 16.957 (1) (qg) "Public benefits program" means a low-income assistance,
22 energy efficiency, or renewable resource program.

23 **SECTION 11.** 16.957 (1) (rm) of the statutes is created to read:

24 16.957 (1) (rm) "Renewable resource program" means a program for
25 encouraging the development or use of customer applications of renewable

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1 resources, including educating customers or members about renewable resources or
2 encouraging customers or members to use renewable resources or encouraging
3 research technology transfers.

4 **SECTION 12.** 16.957 (2) (intro.) of the statutes is amended to read:

5 16.957 (2) DEPARTMENT DUTIES. (intro.) ~~In consultation with the council, the~~
6 The department shall do all of the following:

7 **SECTION 13.** 16.957 (2) (a) (intro.) of the statutes is amended to read:

8 16.957 (2) (a) *Low-income assistance programs.* (intro.) ~~After holding a~~
9 ~~hearing, establish programs to be administered by the department~~ In consultation
10 with the council, establish requirements and procedures for awarding grants from
11 the appropriation under s. 20.505 (3) (r) ~~to provide for~~ low-income assistance
12 programs. In each fiscal year, the amount awarded under this paragraph shall be
13 sufficient to ensure that an amount equal to 47% of the sum of the following is spent
14 for weatherization and other energy conservation services:

15 **SECTION 14.** 16.957 (2) (b) (title) of the statutes is amended to read:

16 16.957 (2) (b) (title) *Energy conservation and efficiency and renewable resource*
17 *programs.*

18 **SECTION 15.** 16.957 (2) (b) 1. of the statutes is renumbered 16.957 (2) (b) and
19 amended to read:

20 16.957 (2) (b) ~~Subject to subd. 2., after holding a hearing, establish programs~~
21 ~~for awarding~~ In consultation with the council, establish requirements and
22 procedures for the department to direct the fiscal agent to award grants from the
23 ~~appropriation under s. 20.505 (3) (s) for each of the following:~~

24 1. Proposals for ~~providing energy conservation or efficiency services~~ programs.

25 In directing the awarding of grants under this subd. ~~1. a. subdivision,~~ the

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1 department shall give priority to proposals directed at the sectors of energy
2 conservation or efficiency markets that are least competitive and at promoting
3 environmental protection, electric system reliability, or rural economic development.
4 In each fiscal year, 1.75% of the appropriation under ~~s. 20.505 (3) (s)~~ total dollar
5 amount of grants awarded under this paragraph shall be awarded in grants for
6 research and development proposals regarding the environmental impacts of the
7 electric industry.

8 2. ~~Proposals for encouraging the development or use of customer applications~~
9 ~~of renewable resources, including educating customers or members about renewable~~
10 ~~resources or encouraging uses of renewable resources by customers or members or~~
11 ~~encouraging research technology transfers~~ renewable resource programs. In each
12 fiscal year, the department shall ensure that 4.5% of the appropriation under ~~s.~~
13 ~~20.505 (3) (s)~~ total dollar amount of grants awarded under this paragraph is awarded
14 in grants under this ~~subd. 1. b~~ subdivision.

15 **SECTION 16.** 16.957 (2) (b) 2. of the statutes is repealed.

16 **SECTION 17.** 16.957 (2) (bg) of the statutes is created to read:

17 16.957 (2) (bg) *Administrative responsibility.* Be responsible for administering
18 public benefits programs throughout the state, except for programs under sub. (5) or
19 s. 196.374 (3m) (d) or (e), and ensure, to the greatest extent practicable, that
20 customers throughout the state have an equivalent opportunity to receive the
21 benefits of the programs.

22 **SECTION 18.** 16.957 (2) (br) (title) of the statutes is created to read:

23 16.957 (2) (br) (title) *Contracts.*

24 **SECTION 19.** 16.957 (2) (c) (intro.) of the statutes is amended to read:

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1 16.957 (2) (c) *Rules.* (intro.) ~~Promulgate~~ In consultation with the council,
2 promulgate rules establishing all of the following:

3 **SECTION 20.** 16.957 (2) (c) 1. of the statutes is amended to read:

4 16.957 (2) (c) 1. Eligibility requirements for receiving low-income assistance
5 under programs established that receive grants under par. (a). The rules shall
6 prohibit a person who receives low-income assistance from a municipal utility or
7 retail electric cooperative under a program specified in sub. (5) (d) 2. b. or 3. a. from
8 receiving low-income assistance under programs established that receive grants
9 under par. (a).

10 **SECTION 21.** 16.957 (2) (c) 2. of the statutes is amended to read:

11 16.957 (2) (c) 2. Requirements and procedures for applications for grants
12 awarded under programs established under par. (a) or (b) ~~1.~~

13 **SECTION 22.** 16.957 (2) (c) 2m. of the statutes is amended to read:

14 16.957 (2) (c) 2m. Criteria for the selection of proposals by a corporation
15 specified in sub. (3) (b) par. (br) 2.

16 **SECTION 23.** 16.957 (2) (c) 2n. of the statutes is repealed.

17 **SECTION 24.** 16.957 (2) (c) 4. of the statutes is amended to read:

18 16.957 (2) (c) 4. Requirements for electric utilities to allow customers to include
19 voluntary contributions to assist in funding ~~a program established~~ programs that
20 receive grants under par. (a) or (b) ~~1.~~ with bill payments for electric service. The rules
21 may require an electric utility to provide a space on an electric bill in which a
22 customer may indicate the amount of a voluntary contribution and the customer's
23 preference regarding whether a contribution should be used for a program
24 established that receives grants under par. (a) or (b) 1. ~~a.~~ or b 2. The rules shall
25 establish requirements and procedures for electric utilities to pay to the ~~department~~

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1 fiscal agent any voluntary contributions included with bill payments and to report
2 to the department fiscal agent customer preferences regarding use of the
3 contributions. The department fiscal agent shall deposit all contributions received
4 under this paragraph for programs that receive grants under par. (a) in the utility
5 public benefits fund and shall hold all contributions received under this paragraph
6 for programs that receive grants under par. (b) as directed in s. 196.374 (3r).

7 **SECTION 25.** 16.957 (2) (d) 2. of the statutes is amended to read:

8 16.957 (2) (d) 2. Encourage customers ~~or members~~ to make voluntary
9 contributions ~~to assist in funding the programs established under pars. (a) and (b)~~
10 ~~1. The department shall deposit all contributions received under this paragraph in~~
11 ~~the utility public benefits fund described in par. (c) 4.~~

12 **SECTION 26.** 16.957 (2) (d) 3. of the statutes is repealed.

13 **SECTION 27.** 16.957 (2) (d) 4. (intro.), a. and d. of the statutes are consolidated,
14 renumbered 16.957 (2) (d) 4. and amended to read:

15 16.957 (2) (d) 4. ~~Provide for an annual independent audit and submit~~ Submit
16 an annual report to the legislature under s. 13.172 (2) that describes ~~each of the~~
17 ~~following:~~ 4. a. ~~The~~ the expenses of the department, other state agencies, and grant
18 recipients in administering or participating in the programs under pars. (a) and (b).
19 4. d. ~~Any~~ and any other issue identified by the department, council, governor,
20 speaker of the assembly, or majority leader of the senate.

21 **SECTION 28.** 16.957 (2) (d) 4. b. and c. of the statutes are repealed.

22 **SECTION 29.** 16.957 (2) (d) 5. of the statutes is created to read:

23 16.957 (2) (d) 5. Cooperate with the commission in the administration of public
24 benefits programs.

25 **SECTION 30.** 16.957 (3) (title) of the statutes is repealed.

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1 **SECTION 31.** 16.957 (3) (a) of the statutes is renumbered 16.957 (2) (br) 1. and
2 amended to read:

3 16.957 (2) (br) 1. The department shall, on the basis of competitive bids,
4 contract with community action agencies described in s. 46.30 (2) (a) 1., nonstock,
5 nonprofit corporations organized under ch. 181 or local units of government to
6 provide services under the low-income assistance programs established under sub.
7 ~~(2)~~ par. (a).

8 **SECTION 32.** 16.957 (3) (b) and (c) of the statutes are consolidated, renumbered
9 16.957 (2) (br) 2. and amended to read:

10 16.957 (2) (br) 2. The department shall, on the basis of competitive bids,
11 contract with one or more nonstock, nonprofit corporations organized under ch. 181
12 to administer the energy efficiency and renewable resource programs established
13 under sub.~~(2)~~ par. (b) ~~1.~~, including soliciting proposals, processing grant
14 applications, selecting, based on criteria specified in rules promulgated under sub.
15 ~~(2)~~ par. (c) 2m., proposals for the department to make awards and distributing grants
16 to recipients. ~~(e)~~ In selecting proposals and awarding such grants under sub.~~(2)~~ (b),
17 the department or such a nonprofit corporation ~~specified in par. (b)~~ may not
18 discriminate against an electric provider or its affiliate or a wholesale electric
19 supplier or its affiliate solely on the basis of its status as an electric provider,
20 wholesale electric supplier or affiliate.

21 **SECTION 33.** 16.957 (4) (a) of the statutes is amended to read:

22 16.957 (4) (a) *Requirement to charge public benefits fees collect funding.* Each
23 electric utility, except for a municipal utility, shall ~~charge each customer a public~~
24 ~~benefits fee in an amount established in rules promulgated by the department under~~
25 ~~par. (b).~~ ~~An electric utility, except for a municipal utility, shall collect and pay the fees~~

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1 ~~to the department in accordance with the rules promulgated under par. (b). The~~
2 ~~public benefits fees collected by an electric utility shall be considered trust funds of~~
3 ~~the department and not income of the electric utility~~ collect from its customers the
4 amounts required by the commission under s. 196.374 (3m) (c) and, as directed by
5 the fiscal agent, pay the amounts collected to the fiscal agent.

6 **SECTION 34.** 16.957 (4) (am) of the statutes is renumbered 196.374 (6) and
7 amended to read:

8 196.374 (6) ELECTRIC BILLS; ANNUAL STATEMENTS. An electric utility ~~shall include~~
9 ~~a public benefits fee in the fixed charges for electricity in a customer's bill and shall~~
10 identify on a customer's bill the amount that the electric utility is collecting from the
11 customer for that billing period to make the collections required under sub. (3m) (c).
12 The commission may specify the manner in which the amount is identified. An
13 electric utility shall provide the customer customers with an annual statement that
14 identifies the annual charges cost and benefit information for public benefits fees
15 and describes the programs for which fees the amounts collected under sub. (3m) (c)
16 are used.

17 **SECTION 35.** 16.957 (4) (b) of the statutes is repealed.

18 **SECTION 36.** 16.957 (4) (c) (title) of the statutes is repealed.

19 **SECTION 37.** 16.957 (4) (c) (intro.) of the statutes is repealed.

20 **SECTION 38.** 16.957 (4) (c) 1. (intro.) of the statutes is renumbered 16.957 (2)
21 (am) (intro.) and amended to read:

22 16.957 (2) (am) *Low-income funding.* (intro.) ~~In fiscal year 1999-2000, a~~
23 ~~portion of the public benefits fee shall be an amount that, when added to 50% of the~~
24 ~~estimated public benefits fees charged by municipal utilities and retail electric~~
25 ~~cooperatives under sub. (5) (a) for that fiscal year, shall equal \$24,000,000. In each~~

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1 fiscal year after fiscal year 1999-2000, a portion of the public benefits fee shall be an,
2 determine the amount of funding required for low-income assistance programs. The
3 amount so determined for a fiscal year shall be the amount that, when added to the
4 ~~sum of the following shall equal~~ sum, equals the low-income need target for that
5 fiscal year that is determined by the department under ~~sub. (2) par.~~ (d) 1.:

6 **SECTION 39.** 16.957 (4) (c) 1. a. and b. of the statutes are renumbered 16.957
7 (2) (am) 1. and 2.

8 **SECTION 40.** 16.957 (4) (c) 1. c. of the statutes is amended to read:

9 16.957 (4) (c) 1. c. The total amount spent on low-income assistance programs
10 ~~or contributed to the commission by electric~~ utilities under s. 196.374 (3) for that
11 fiscal year ~~for low-income assistance.~~

12 **SECTION 41.** 16.957 (4) (c) 2. of the statutes is repealed.

13 **SECTION 42.** 16.957 (4) (c) 3. of the statutes is repealed.

14 **SECTION 43.** 16.957 (5) (b) 1. of the statutes is amended to read:

15 16.957 (5) (b) 1. No later than October 1, 2000, each municipal utility or retail
16 electric cooperative shall notify the department whether it has elected to contribute
17 to the programs established under sub. (2) (a) or (b) ~~1.~~ for a 3-year period.

18 **SECTION 44.** 16.957 (5) (b) 2. of the statutes is amended to read:

19 16.957 (5) (b) 2. No later than every 3rd year after the date specified in subd.
20 1., each municipal utility or retail electric cooperative shall notify the department
21 whether it has elected to contribute to the programs established under sub. (2) (a)
22 or (b) ~~1.~~ for a 3-year period.

23 **SECTION 45.** 16.957 (5) (c) of the statutes is amended to read:

24 16.957 (5) (c) *Full contribution.* If a municipal utility or retail electric
25 cooperative elects under par. (b) 1. or 2. to contribute to the programs established

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1 both under sub. (2) (a) and under sub. (2) (b) ~~1.~~, it shall pay ~~100%~~ 100 percent of the
2 public benefits fees that it charges under par. (a) to the ~~department~~ fiscal agent in
3 each fiscal year of the 3-year period for which it has made the election. The fiscal
4 agent shall deposit 50 percent of the fees into the utility public benefits fund.

5 **SECTION 46.** 16.957 (5) (d) 1. a. of the statutes is amended to read:

6 16.957 (5) (d) 1. a. Pay 50% of the public benefits fees that it charges under par.
7 (a) to the ~~department~~ fiscal agent. The fiscal agent shall deposit the fees into the
8 utility public benefits fund.

9 **SECTION 47.** 16.957 (5) (d) 1. b. of the statutes is amended to read:

10 16.957 (5) (d) 1. b. Spend 50% of the public benefits fees that it charges under
11 par. (a) on energy ~~conservation~~ efficiency programs.

12 **SECTION 48.** 16.957 (5) (d) 2. (intro.) of the statutes is amended to read:

13 16.957 (5) (d) 2. (intro.) If the municipal utility or retail electric cooperative
14 elects to contribute only to the programs established under sub. (2) (b) ~~1.~~, the
15 municipal utility or retail electric cooperative shall, in each fiscal year of the 3-year
16 period for which it elects to contribute under par. (b) 1. or 2., do all of the following:

17 **SECTION 49.** 16.957 (5) (d) 2. a. of the statutes is amended to read:

18 16.957 (5) (d) 2. a. Pay 50% of the public benefits fees that it charges under par.
19 (a) to the ~~department~~ fiscal agent.

20 **SECTION 50.** 16.957 (5) (d) 2. b. of the statutes is amended to read:

21 16.957 (5) (d) 2. b. Spend 50% of the public benefits fees that it charges under
22 par. (a) on ~~programs for low-income assistance~~ programs.

23 **SECTION 51.** 16.957 (5) (d) 3. (intro.) of the statutes is amended to read:

24 16.957 (5) (d) 3. (intro.) If the municipal utility or retail electric cooperative
25 elects not to contribute to any of the programs established under sub. (2) (a) or (b)

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1 1., the municipal utility or retail electric cooperative shall, in each fiscal year of the
2 3-year period for which it elects not to contribute under par. (b) 1. or 2., do all of the
3 following:

4 **SECTION 52.** 16.957 (5) (d) 3. a. of the statutes is amended to read:

5 16.957 (5) (d) 3. a. Spend 50% of the public benefits fees that it charges under
6 par. (a) on ~~programs for low-income assistance~~ programs.

7 **SECTION 53.** 16.957 (5) (d) 3. b. of the statutes is amended to read:

8 16.957 (5) (d) 3. b. Spend 50% of the public benefits fees that it charges under
9 par. (a) on energy ~~conservation~~ efficiency programs.

10 **SECTION 54.** 16.957 (5) (e) (intro.) of the statutes is amended to read:

11 16.957 (5) (e) *Wholesale supplier credit.* (intro.) If a wholesale supplier has
12 established a ~~program for low-income assistance or an energy conservation~~
13 efficiency program, a municipal utility or retail electric cooperative that is a
14 customer or member of the wholesale supplier may do any of the following:

15 **SECTION 55.** 16.957 (5) (e) 1. of the statutes is amended to read:

16 16.957 (5) (e) 1. Include an amount equal to the product of the municipal
17 utility's or retail electric cooperative's wholesale supply percentage and the amount
18 that the wholesale supplier has spent on low-income assistance programs in a fiscal
19 year in calculating the amount that the municipal utility or retail electric cooperative
20 has spent on low-income assistance programs in that fiscal year under par. (d) 2. b.
21 or 3. a.

22 **SECTION 56.** 16.957 (5) (e) 2. of the statutes is amended to read:

23 16.957 (5) (e) 2. Include an amount equal to the product of the municipal
24 utility's or retail electric cooperative's wholesale supply percentage and the amount
25 that the wholesale supplier has spent on energy ~~conservation programs~~ efficiency or

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1 ~~customer applications of renewable resources~~ resource programs in a fiscal year in
2 calculating the amount that the municipal utility or retail electric cooperative has
3 spent on energy ~~conservation~~ efficiency programs under par. (d) 1. b. or 3. b.

4 **SECTION 57.** 16.958 of the statutes is repealed.

5 **SECTION 58.** 20.505 (3) (rr) of the statutes is repealed.

6 **SECTION 59.** 20.505 (3) (s) of the statutes is repealed.

7 **SECTION 60.** 20.924 (1) (j) of the statutes is created to read:

8 20.924 (1) (j) Shall not enter into any lease or other contract that provides for
9 the construction of any building, structure, or facility, or portion thereof, for initial
10 occupancy by the state and that contains an option for the state to purchase the
11 building, structure, or facility unless the seller or lessor agrees that all equipment
12 to be installed as a component of the building, structure, or facility that relates to any
13 function that consumes energy meets applicable requirements for state building
14 projects under s. 16.855 (10s) (a).

15 **SECTION 61.** 25.17 (1) (ai) of the statutes is repealed.

16 **SECTION 62.** 25.96 of the statutes is amended to read:

17 **25.96 Utility public benefits fund.** There is established a separate
18 nonlapsible trust fund designated as the utility public benefits fund, consisting of
19 deposits by the ~~public service commission under s. 196.374 (3), public benefits fees~~
20 received *fiscal agent* under s. ss. 16.957 (4) (a) (2) (c) 4. and (5) (c) and (d) 1. a. and
21 contributions received under s. 16.957 (2) (e) 4 196.374 (3) and (3r).

22 **SECTION 63.** 25.97 of the statutes is repealed.

23 **SECTION 64.** 71.26 (1) (g) of the statutes is created to read:

24 71.26 (1) (g) *Electric utilities.* The amount that an electric utility, as defined
25 in s. 16.957 (1) (g), collects from customers under s. 16.957 (4) (a).

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1 **SECTION 65.** 76.28 (1) (d) of the statutes is amended to read:

2 76.28 (1) (d) “Gross revenues” for a light, heat and power company other than
3 a qualified wholesale electric company or a transmission company means total
4 environmental control charges paid to the company under a financing order issued
5 under s. 196.027 (2) and total operating revenues as reported to the public service
6 commission except revenues for interdepartmental sales and for interdepartmental
7 rents as reported to the public service commission and deductions from the sales and
8 use tax under s. 77.61 (4), except that the company may subtract from revenues
9 either the actual cost of power purchased for resale, as reported to the public service
10 commission, by a light, heat and power company, except a municipal light, heat and
11 power company, that purchases under federal or state approved wholesale rates
12 more than 50% of its electric power from a person other than an affiliated interest,
13 as defined in s. 196.52 (1), if the revenue from that purchased electric power is
14 included in the seller’s gross revenues or the following percentages of the actual cost
15 of power purchased for resale, as reported to the public service commission, by a
16 light, heat and power company, except a municipal light, heat and power company
17 that purchases more than 90% of its power and that has less than \$50,000,000 of
18 gross revenues: 10% for the fee assessed on May 1, 1988, 30% for the fee assessed on
19 May 1, 1989, and 50% for the fee assessed on May 1, 1990, and thereafter. For a
20 qualified wholesale electric company, “gross revenues” means total business
21 revenues from those businesses included under par. (e) 1. to 4. For a transmission
22 company, “gross revenues” means total operating revenues as reported to the public
23 service commission, except revenues for transmission service that is provided to a
24 public utility that is subject to the license fee under sub. (2) (d), to a public utility, as
25 defined in s. 196.01 (5), or to a cooperative association organized under ch. 185 for

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1 the purpose of providing electricity to its members only. For an electric utility, as
2 defined in s. 16.957 (1) (g), “gross revenues” does not include public benefits fees
3 collected by the electric utility under s. 16.957 (4) (a) or (5) (a). ~~For a generator public~~
4 ~~utility, “gross revenues” does not include any grants awarded to the generator public~~
5 ~~utility under s. 16.958 (2) (b).~~ For a wholesale supplier, as defined in s. 16.957 (1) (w),
6 “gross revenues” does not include any public benefits fees that are received from a
7 municipal utility or retail electric cooperative or under a joint program established
8 under s. 16.957 (5) (f). For a municipal utility, “gross revenues” does not include
9 public benefits fees received by the municipal utility from a municipal utility or retail
10 electric cooperative under a joint program established under s. 16.957 (5) (f).

11 **SECTION 66.** 76.48 (1g) (d) of the statutes is amended to read:

12 76.48 **(1g)** (d) “Gross revenues” means total operating revenues, except
13 revenues for interdepartmental sales and for interdepartmental rents, less
14 deductions from the sales and use tax under s. 77.61 (4) and, in respect to any electric
15 cooperative that purchases more than 50% of the power it sells, less the actual cost
16 of power purchased for resale by an electric cooperative, if the revenue from that
17 purchased electric power is included in the seller’s gross revenues or if the electric
18 cooperative purchased more than 50% of the power it sold in the year prior to
19 January 1, 1988, from a seller located outside this state. ~~For an electric cooperative,~~
20 ~~“gross revenues” does not include grants awarded to the electric cooperative under~~
21 ~~s. 16.958 (2) (b).~~ For a retail electric cooperative, “gross revenues” does not include
22 public benefits fees collected by the retail electric cooperative under s. 16.957 (5) (a),
23 public benefits fees received by the retail electric cooperative from a retail electric
24 cooperative or municipal utility under a joint program established under s. 16.957
25 (5) (f). For a wholesale supplier, as defined in s. 16.957 (1) (w), “gross revenues” does

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1 not include any public benefits fees that are received from a municipal utility, as
2 defined in s. 16.957 (1) (q), or retail electric cooperative or under a joint program
3 established under s. 16.957 (5) (f).

4 **SECTION 67.** 77.54 (44) of the statutes is amended to read:

5 77.54 (44) The gross receipts from the collection of amounts under s. 16.957 (4)
6 (a) or public benefits fees that are charged under s. 16.957 (4) (a) or (5) (a).

7 **SECTION 68.** 79.005 (4) (d) of the statutes is amended to read:

8 79.005 (4) (d) Replacing steam generating equipment at a combustion-based
9 renewable facility, as defined in s. 196.378 (1) (g), that is located in this state, to
10 increase efficiency or capacity, if the facility remains a combustion-based renewable
11 facility, as defined in s. 196.378 (1) (g), after replacing the equipment.

12 **SECTION 69.** 101.027 (1) (intro.) and (a) of the statutes are consolidated,
13 renumbered 101.027 (1) (a) and amended to read:

14 101.027 (1) (a) In this section: ~~(a)~~ “Energy, “energy conservation code” means
15 the energy conservation code promulgated by the department that sets design
16 requirements for construction and equipment for the purpose of energy conservation
17 in public buildings and places of employment.

18 **SECTION 70.** 101.027 (1) (b) of the statutes is repealed.

19 **SECTION 71.** 101.027 (2) of the statutes is amended to read:

20 101.027 (2) The department shall review the energy conservation code and
21 shall promulgate rules that change the requirements of the energy conservation code
22 to improve energy conservation. No rule may be promulgated that has not taken into
23 account the cost of the energy conservation code requirement, as changed by the rule,
24 in relationship to the benefits derived from that requirement, including the
25 reasonably foreseeable economic and environmental benefits to the state from any

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1 reduction in the use of imported fossil fuel. The proposed rules changing the energy
2 conservation code shall be submitted to the legislature in the manner provided under
3 s. 227.19. In conducting a review under this subsection, the department shall
4 consider incorporating, into the energy conservation code, design requirements from
5 the most current national energy efficiency design standards, including standard
6 ~~90.1 – 1989~~ the International Energy Conservation Code or an energy efficiency code
7 other than standard ~~90.1 – 1989~~ the International Energy Conservation Code if that
8 energy efficiency code is used to prescribe design requirements for the purpose of
9 conserving energy in buildings and is generally accepted and used by engineers and
10 the construction industry.

11 **SECTION 72.** 101.027 (3) (a) 1. of the statutes is amended to read:

12 101.027 (3) (a) 1. A revision of standard ~~90.1 – 1989~~ the International Energy
13 Conservation Code is published.

14 **SECTION 73.** 101.027 (3) (a) 2. of the statutes is amended to read:

15 101.027 (3) (a) 2. Five Three years have passed from the date on which the
16 department last submitted to the legislature proposed rules changing the energy
17 conservation code.

18 **SECTION 74.** 101.027 (3) (b) 1. of the statutes is amended to read:

19 101.027 (3) (b) 1. If the department begins a review under sub. (2) because a
20 revision of standard ~~90.1 – 1989~~ the International Energy Conservation Code is
21 published, the department shall complete its review of the energy conservation code,
22 as defined in sub. (1) (a), and submit to the legislature proposed rules changing the
23 energy conservation code, as defined in sub. (1) (a), no later than 18 months after the
24 date on which the revision of standard ~~90.1 – 1989~~ the International Energy
25 Conservation Code is published.

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1 **SECTION 75.** 101.027 (3) (b) 2. of the statutes is amended to read:

2 101.027 (3) (b) 2. If the department begins a review under sub. (2) because 5
3 3 years have passed from the date on which the department last submitted to the
4 legislature proposed rules changing the energy conservation code, the department
5 shall complete its review of the energy conservation code and submit to the
6 legislature proposed rules changing the energy conservation code no later than 9
7 months after the last day of the ~~5-year~~ 3-year period.

8 **SECTION 76.** 196.374 (title) of the statutes is amended to read:

9 **196.374** (title) ~~Low-income assistance, energy efficiency and other~~
10 Public benefits programs.

11 **SECTION 77.** 196.374 (1) (title) of the statutes is created to read:

12 196.374 (1) (title) DEFINITIONS.

13 **SECTION 78.** 196.374 (1) (a) of the statutes is renumbered 196.374 (1) (ag).

14 **SECTION 79.** 196.374 (1) (an) of the statutes is created to read:

15 196.374 (1) (an) “Electric utility” has the meaning given in s. 16.957 (1) (g), but
16 does not include a municipal utility, as defined in s. 16.957 (1) (q).

17 **SECTION 80.** 196.374 (1) (ar) of the statutes is created to read:

18 196.374 (1) (ar) “Energy efficiency program” has the meaning given in s. 16.957
19 (1) (h).

20 **SECTION 81.** 196.374 (1) (aw) of the statutes is created to read:

21 196.374 (1) (aw) “Fiscal agent” means the fiscal agent with which the
22 commission contracts under sub. (3m) (a) 4.

23 **SECTION 82.** 196.374 (1) (b) of the statutes is repealed.

24 **SECTION 83.** 196.374 (1) (be) of the statutes is created to read:

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1 196.374 (1) (be) “Low-income assistance program” has the meaning given in
2 s. 16.957 (1) (L).

3 **SECTION 84.** 196.374 (1) (bm) of the statutes is created to read:

4 196.374 (1) (bm) “Public benefits program” has the meaning given in s. 16.957
5 (1) (qg).

6 **SECTION 85.** 196.374 (1) (bs) of the statutes is created to read:

7 196.374 (1) (bs) “Renewable resource program” has the meaning given in s.
8 16.957 (1) (rm).

9 **SECTION 86.** 196.374 (1) (c) of the statutes is renumbered 196.374 (1) (ac) and
10 amended to read:

11 196.374 (1) (ac) ~~“Utility”~~ “Class A utility” means a Class A gas or electric utility,
12 as defined by the commission, but does not include a municipal utility, as defined in
13 s. 16.957 (1) (q), a municipal electric company, as defined in s. 66.0825 (3) (d), or a
14 cooperative association organized under ch. 185.

15 **SECTION 87.** 196.374 (2) (title) of the statutes is created to read:

16 196.374 (2) (title) CLASS A UTILITY SPENDING.

17 **SECTION 88.** 196.374 (2) (intro.) of the statutes is amended to read:

18 196.374 (2) (intro.) The commission shall determine the amount that each
19 Class A utility spent in 1998 on programs for each of the following:

20 **SECTION 89.** 196.374 (3) of the statutes is amended to read:

21 196.374 (3) CLASS A UTILITY CONTRIBUTIONS. ~~In 2000, 2001 and 2002, the~~
22 ~~commission shall require each utility to spend a decreasing portion of the amount~~
23 ~~determined under sub. (2) on programs specified in sub. (2) and contribute the~~
24 ~~remaining portion of the amount to the commission for deposit in the fund. In each~~
25 ~~year after 2002, each~~ The commission shall require each Class A utility shall to

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1 contribute pay the entire amount determined under sub. (2) (a) to the ~~commission~~
2 fiscal agent for deposit in the fund for the purpose of funding low-income assistance
3 programs that receive grants under s. 16.957 (2) (b). ~~The commission shall ensure~~
4 ~~in rate-making orders that a utility recovers from its ratepayers the amounts spent~~
5 ~~on programs or contributed to the fund under this subsection. The commission shall~~
6 ~~allow each utility the option of continuing to use, until January 1, 2002, the moneys~~
7 ~~that it has recovered under s. 196.374 (3), 1997 stats., to administer the programs~~
8 ~~that it has funded under s. 196.374 (1), 1997 stats. The commission shall require~~
9 each Class A utility to pay the entire amount determined under sub. (2) (b), (c), and
10 (d) to the fiscal agent for the purpose of funding energy efficiency and renewable
11 resource programs that receive grants under s. 16.957 (2) (b). The commission may
12 allow each Class A utility to spend additional moneys on the programs specified in
13 sub. (2) if the Class A utility otherwise complies with the requirements of this section
14 and s. 16.957 (4).

15 **SECTION 90.** 196.374 (3m) of the statutes is created to read:

16 196.374 (3m) COMMISSION DUTIES. (a) *In general.* 1. The commission shall be
17 responsible for evaluating and setting goals, measurable targets, and funding levels
18 for energy efficiency and renewable resource programs that receive grants under s.
19 16.957 (2) (b). For planning purposes, the commission may set goals and funding
20 levels for such programs for multiple years. The commission shall cooperate with the
21 department in the administration of such programs and shall oversee the
22 measurement and evaluation of such programs. The commission shall enter into a
23 written agreement with the department for specifying and coordinating their
24 respective powers and duties under this section and s. 16.957.

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1 2. In setting a funding level for a fiscal year for energy efficiency and renewable
2 resource programs that receive grants under s. 16.957 (2) (b), the commission shall
3 set a level that is equal to the amount of revenue that would be generated for that
4 fiscal year in public benefits under s. 16.957 (4) (c) 2., 2003 stats.

5 3. The commission shall oversee public benefits programs that are
6 administered by electric utilities under sub. (3) or par. (d).

7 4. The commission shall contract with a private entity to act as a fiscal agent.

8 (b) *Audits; reports.* The commission shall contract with one or more
9 independent auditors to annually prepare a financial and program audit of the
10 programs specified in par. (a) 1. The purpose of the program audit shall be to
11 evaluate the programs and measure the performance of the programs against the
12 goals and targets set by the commission under par. (a) 1. The commission shall
13 submit annual reports to the legislature under s. 13.172 (2) that describe the results
14 of the audits.

15 (c) *Collections.* 1. 'Low-income assistance programs.' In each fiscal year, the
16 commission shall require all electric utilities to collect from ratepayers and pay to the
17 fiscal agent the amount determined by the department under s. 16.957 (2) (am), for
18 the purpose of funding low-income assistance programs that receive grants under
19 s. 16.957 (2) (a).

20 2. 'Other public benefits programs.' The commission shall determine the
21 amount that all electric utilities must collect from ratepayers in a fiscal year for the
22 purpose of funding energy efficiency and renewable resource programs that receive
23 grants under s. 16.957 (2) (b). Except as provided in par. (d), in each fiscal year, each
24 electric utility shall pay to the fiscal agent the electric utility's portion, as determined
25 by the commission, of the amount determined by the commission under this

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1 subdivision. Except as provided in par. (d), an electric utility that makes payments
2 to the fiscal agent under this subdivision is not responsible for the management or
3 disposition of moneys that the electric utility is required to collect under this
4 subdivision.

5 3. ‘Other collections.’ In each fiscal year, the commission shall require all
6 electric utilities to collect from ratepayers and pay to the fiscal agent all of the
7 following:

8 a. The amount certified in that fiscal year by the department under s. 16.75 (12)
9 (e) 2. or \$1,000,000, whichever is less.

10 b. The amount to which the fiscal agent is entitled, as specified in the fiscal
11 agent’s contract with the commission, for reimbursement of the reasonable expenses
12 incurred in acting as the fiscal agent.

13 4. ‘Commission determinations.’ The commission shall determine the portion
14 of the amounts specified in this paragraph that each electric utility is required to
15 collect from ratepayers and pay to the fiscal agent.

16 (d) *Electric utility energy efficiency programs.* 1. The commission may allow
17 an electric utility to retain a portion of the amount that the electric utility is
18 otherwise required to pay to the fiscal agent under par. (c) 2. if the electric utility
19 expends that portion to fund energy efficiency programs administered by the electric
20 utility within the electric utility’s service territory for commercial, industrial, or
21 agricultural customers if the commission determines that the expenditure is in the
22 public interest and that the energy efficiency program satisfies all of the following:

23 a. The energy efficiency program has specific savings targets and performance
24 goals approved by the commission.

25 b. The energy efficiency program is subject to evaluation by the commission.

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1 c. Services under the energy efficiency program are provided through
2 3rd-party market providers on a nondiscriminatory basis.

3 2. The commission may allow an electric utility to spend additional moneys on
4 energy efficiency programs if the electric utility otherwise complies with the
5 requirements of this section and s. 16.957.

6 **SECTION 91.** 196.374 (3r) of the statutes is created to read:

7 196.374 (3r) FISCAL AGENT DUTIES. The fiscal agent shall collect low-income
8 assistance funding required by the commission under sub. (3) or (3m) (c) 1. and the
9 amounts required under sub. (3m) (c) 3. a. and deposit the moneys into the utility
10 public benefits fund. The fiscal agent shall hold funding for other public benefits
11 programs received under s. 16.957 (2) (c) 4. or (5) (c) or (d) 2. a. or sub. (3) or (3m) (c)
12 2. in trust exclusively for the payment of grants under s. 16.597 (2) (b) as directed by
13 the department.

14 **SECTION 92.** 196.374 (4) of the statutes is repealed.

15 **SECTION 93.** 196.374 (4m) of the statutes is created to read:

16 196.374 (4m) EQUITABLE FUNDING. In carrying out its duties under sub. (3m),
17 the commission shall ensure that the requirements for funding energy efficiency and
18 renewable resource programs are equitably divided among electric utilities so that
19 similarly situated ratepayers contribute equivalent amounts for the programs.

20 **SECTION 94.** 196.374 (5) of the statutes is created to read:

21 196.374 (5) RATE-MAKING; ACCOUNTING. The commission shall ensure in
22 rate-making orders that an electric utility recovers from its ratepayers the amounts
23 the electric utility is required to pay to the fiscal agent or expend on its own programs
24 under this section. The commission may prescribe the accounting treatment of
25 electric utility expenditures, including the use of any escrow accounting.

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1 **SECTION 95.** 196.374 (7) of the statutes is created to read:

2 196.374 (7) STATE ENERGY POLICY. The commission’s actions under this section
3 are considered to satisfy the requirements of s. 1.12 (2), (3) (a), and (4) (a), and the
4 requirements of s. 1.12 (5) that relate to conservation or efficient use of electric power.
5 An electric utility’s application under s. 196.49 or 196.491 (3) is not subject to the
6 requirements of s. 196.025 (1) relating to energy conservation or efficiency if the
7 electric utility has complied with the requirements of this section.

8 **SECTION 96.** 196.378 (1) (a) of the statutes is amended to read:

9 196.378 (1) (a) “Biomass” means a resource that derives energy from wood or
10 plant material or residue, biological waste, crops grown for use as a resource or
11 landfill gases. “Biomass” does not include garbage, as defined in s. 289.01 (9), or
12 nonvegetation-based industrial, commercial or household waste, except that
13 “biomass” includes refuse-derived fuel used for a renewable facility that was in
14 service in this state before January 1, 1998.

15 **SECTION 97.** 196.378 (1) (bm) of the statutes is repealed.

16 **SECTION 98.** 196.378 (1) (e) of the statutes is repealed.

17 **SECTION 99.** 196.378 (1) (fm) of the statutes is created to read:

18 196.378 (1) (fm) “Renewable energy percentage” means, with respect to an
19 electric provider for a particular year, the percentage that results from dividing the
20 sum of the following by the total amount of electricity that the electric provider sold
21 to retail customers or members for that year:

22 1. The electric provider’s total renewable energy for that year.

23 2. The renewable resource credits created or purchased by the electric provider,
24 if any, that the electric provider elects to use in that year.

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1 3. The renewable resource credits, if any, allocated to the electric provider for
2 that year under the rules promulgated under sub. (3) (a) 1.

3 **SECTION 100.** 196.378 (1) (g) of the statutes is amended to read:

4 196.378 (1) (g) “Renewable facility” means an installed and operational electric
5 generating facility, located in or outside this state, in which electricity is derived from
6 a renewable resource. “Renewable facility” includes a facility the installation or
7 operation of which is required under federal law, but does not include a facility the
8 installation or operation of which is required under the laws of another state even
9 if the installation or operation of the facility is also required under federal law.

10 **SECTION 101.** 196.378 (1) (i) of the statutes is amended to read:

11 196.378 (1) (i) “Renewable resource credit” means a credit calculated in
12 accordance with rules promulgated under sub. (3) (a) 1. and 2.

13 **SECTION 102.** 196.378 (1) (n) of the statutes is renumbered 196.378 (1) (n)
14 (intro.) and amended to read:

15 196.378 (1) (n) (intro.) “System renewable energy” means the amount of
16 electricity that an electric provider sells to its retail customers or members and that
17 is supplied by renewable any of the following:

18 1. Renewable facilities owned or operated by the electric provider.

19 **SECTION 103.** 196.378 (1) (n) 2. of the statutes is created to read:

20 196.378 (1) (n) 2. If the electric provider is part of an interconnected multistate
21 system that serves this state, renewable facilities that are within that system.

22 **SECTION 104.** 196.378 (2) (a) of the statutes is repealed and recreated to read:

23 196.378 (2) (a) 1. Except as provided in par. (e), by December 31, 2010, each
24 electric provider shall increase its renewable energy percentage so that it is at least
25 2 percentage points above the electric provider’s renewable energy percentage for

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1 2004 reported under par. (c). Except as provided in par. (e), by December 31, 2015,
2 each electric provider shall increase its renewable energy percentage so that it is at
3 least 6 percentage points above the electric provider's renewable energy percentage
4 for 2004 reported under par. (c).

5 2. Except as provided in par. (e), by December 31, 2015, the renewable energy
6 percentage for each electric provider shall be sufficient to ensure that the average
7 renewable energy percentage of all electric providers is at least 10 percent.

8 **SECTION 105.** 196.378 (2) (b) 3. of the statutes is repealed.

9 **SECTION 106.** 196.378 (2) (c) of the statutes is amended to read:

10 196.378 (2) (c) No later than April 15 annually, or another annual date specified
11 by the commission by rule, an electric provider shall submit a report to the
12 department commission that identifies the electric provider's renewable energy
13 percentage for the previous year and describes the electric provider's compliance
14 with par. (a) and the electric provider's implementation plans for future compliance.
15 Reports under this paragraph may include certifications from wholesale suppliers
16 regarding the sources and amounts of energy supplied to an electric provider. The
17 department commission may specify the documentation that is required to be
18 included with reports submitted under this paragraph. The commission may require
19 that electric providers submit the reports in a proceeding, initiated by the
20 commission under this section relating to the implementation of s. 1.12, or in a
21 proceeding for preparing a strategic energy assessment under s. 196.491 (2). No later
22 than 90 days after the commission's receipt of an electric provider's report, the
23 commission shall inform the electric provider whether the electric provider is in
24 compliance with par. (a).

25 **SECTION 107.** 196.378 (2) (e) of the statutes is repealed and recreated to read:

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1 196.378 (2) (e) An electric provider may request that the commission grant a
2 delay for complying with a deadline specified in par. (a) if, after notice and
3 opportunity to be heard, the electric provider demonstrates good faith efforts to
4 comply with the deadline and the electric provider demonstrates any of the following:

5 1. Notwithstanding reasonable efforts to protect against undesirable impacts
6 on the reliability of an electric provider's system, compliance with the deadline will
7 have an undesirable impact on the reliability of the electric provider's system.

8 2. Notwithstanding reasonable efforts to protect against excessive increases in
9 rates of the electric provider's ratepayers, compliance with the deadline will result
10 in excessive increases in rates of the electric provider's ratepayers, including
11 increases that are due to discontinuation of federal renewable energy tax credits.

12 3. Notwithstanding reasonable efforts to obtain required approvals, the electric
13 provider or a supplier has experienced or will experience delays in receiving required
14 siting or permitting approvals for renewable energy projects.

15 4. Notwithstanding reasonable efforts to secure transmission service, the
16 electric provider faces transmission constraints that interfere with the economic and
17 reliable delivery of electricity derived from renewable resources to the electric
18 provider's system.

19 **SECTION 108.** 196.378 (3) (a) of the statutes is renumbered 196.378 (3) (a) 1. and
20 amended to read:

21 196.378 (3) (a) 1. An Subject to subd. 2., an electric provider that provides total
22 renewable energy to its retail electric customers or members in excess of the
23 percentages specified in sub. (2) (a) ~~1. to 6.~~ may, in the applicable year, create a
24 renewable resource credit and sell to any other electric provider ~~a~~ the renewable
25 resource credit or a portion of ~~a~~ the renewable resource credit at any negotiated

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1 price. ~~Alternatively, an~~ An electric provider that creates or purchases a renewable
2 resource credit or portion may use ~~a renewable resource~~ the credit or portion of a
3 ~~renewable resource credit~~ in a subsequent year, as provided under par. (c), to
4 establish compliance with sub. (2) (a). The commission shall promulgate rules that
5 establish requirements for the creation and use of a renewable resource credit,
6 including calculating the amount of a renewable resource credit. The commission
7 shall also promulgate rules that allow a wholesale customer of an electric provider
8 to use an allocated portion of a credit, which is created or purchased by the electric
9 provider, to establish compliance with sub. (2) (a), but only if the cost of renewable
10 resources is included in wholesale rates paid by the wholesale customer. The rules
11 shall specify the manner for making such an allocation.

12 **SECTION 109.** 196.378 (3) (a) 2. of the statutes is created to read:

13 196.378 (3) (a) 2. The commission shall promulgate rules for calculating the
14 amount of a renewable resource credit that is created from a renewable facility
15 placed into service before January 1, 2004. The rules shall provide that the amount
16 of a renewable resource credit created from such a renewable facility after January
17 1, 2004, is limited to the incremental increase in output from the renewable facility
18 that is due to capacity improvements made after January 1, 2004.

19 **SECTION 110.** 196.378 (3) (b) of the statutes is amended to read:

20 196.378 (3) (b) The commission may promulgate rules that establish
21 requirements and procedures for a sale under par. (a) 1.

22 **SECTION 111.** 196.378 (3) (c) of the statutes is created to read:

23 196.378 (3) (c) A renewable resource credit created under s. 196.378 (3) (a),
24 2003 stats., may not be used after December 31, 2011. A renewable resource credit
25 created under par. (a) 1. or 2., as affected by 2005 Wisconsin Act ... (this act), may

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1 not be used after the 4th year after the year in which the credit is created, except the
2 commission may promulgate rules specifying a different period of time if the
3 commission determines that such period is necessary for consistency with any
4 regional renewable resource credit trading program that applies in this state.

5 **SECTION 112.** 196.378 (4m) of the statutes is created to read:

6 196.378 (4m) STATE ENERGY POLICY. The commission's actions under this section
7 are considered to satisfy the requirements of s. 1.12 (3) (b) and (4) (b) and (c), and the
8 requirements of s. 1.12 (5) that relate to the generation of electric power from
9 renewable energy resources. An electric provider's application under s. 196.49 or
10 196.491 (3) is not subject to the requirements of s. 196.025 (1) relating to the
11 generation of electric power from renewable energy resources if the electric provider
12 is in compliance with sub. (2) (a) or is granted a delay under sub. (2) (e).

13 **SECTION 113.** 196.86 of the statutes is repealed.

14 **SECTION 114.** 285.48 (1) (c) of the statutes is amended to read:

15 285.48 (1) (c) "Midcontinent area" has the meaning given in s. 16.958 (1) (e)
16 means the geographic area served by the Mid-Continent Area Power Pool reliability
17 council of the North American Electric Reliability Council, as such councils existed
18 in 1999.

19 **SECTION 115.** 285.48 (2) of the statutes is amended to read:

20 285.48 (2) APPLICABILITY. This section applies if the department of natural
21 resources, pursuant to a call, issues a state implementation plan that requires
22 electric generating facilities in the midcontinent area of this state to comply with
23 nitrogen oxide emission reduction requirements. ~~If the department of natural~~
24 ~~resources issues such a plan, the department of natural resources shall notify the~~
25 ~~department of administration and the public service commission. The notice shall~~

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1 ~~specify the date on which electric generating facilities in the midcontinent area of~~
2 ~~this state are required to comply with the initial nitrogen oxide emission reduction~~
3 ~~requirements.~~

4 **SECTION 116.** 285.48 (3) (d) 3. of the statutes is repealed.

5 **SECTION 117.** 285.48 (3) (d) 4. of the statutes is repealed.

6 **SECTION 118.** 285.48 (4) (a) of the statutes is amended to read:

7 285.48 (4) (a) The use of renewable energy, including renewable energy that
8 is provided by electric providers for the purpose of complying with the requirements
9 of s. 196.378 (2) (a), or renewable energy that is used under programs ~~specified in s.~~
10 ~~196.374 (2) (d) that are funded by expenditures under s. 196.374 (3) established~~
11 under s. 16.957 (2) (b).

12 **SECTION 119.** 285.48 (4) (b) of the statutes is amended to read:

13 285.48 (4) (b) The implementation of low-income weatherization and energy
14 conservation measures, including programs established under s. 16.957 (2) (a) or (b)
15 or programs ~~specified in s. 196.374 (2) (a) or (b) that are funded by expenditures~~
16 ~~under s. 196.374 (3) administered by electric utilities under s. 196.374 (3m) (d) or (e)~~
17 or by utilities, as defined in s. 196.374 (1) (c), 2003 stats., under s. 196.374 (3), 2003
18 stats.

19 **SECTION 120. Nonstatutory provisions.**

20 (1) REVIEW OF ENERGY CONSERVATION CODE. Notwithstanding section 101.027
21 (3) (a) and (b) of the statutes, the department of commerce shall begin a review of the
22 energy conservation code, as defined in section 101.027 (1) (a) of the statutes, on the
23 effective date of this subsection and shall complete that review and submit proposed
24 rules changing the energy conservation code as provided in section 101.027 (2) of the
25 statutes to the legislative council staff under section 227.15 (1) of the statutes by no

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1 later than the first day of the 18th month beginning after the effective date of this
2 subsection. Notwithstanding section 101.027 (2) of the statutes, in conducting the
3 review under this subsection, the department of commerce, to the extent practicable,
4 shall consider incorporating into the energy conservation code design requirements
5 from the most current national energy efficiency design standards for new buildings,
6 except low-rise residential buildings, published by the American society of heating,
7 refrigerating, and air-conditioning engineers.

8 (2) ANAEROBIC DIGESTOR RESEARCH. The department of agriculture, trade and
9 consumer protection shall include, as part of its 2007-09 biennial budget request
10 that it submits to the department of administration under section 16.42 of the
11 statutes, a proposal to provide additional funding for the research and development
12 of anaerobic digestors at farms participating in the discovery farms program under
13 the Wisconsin agricultural stewardship initiative.

SECTION 121. Initial applicability.

14 (1) ENERGY EFFICIENCY STANDARDS. The treatment of sections 16.855 (10s) and
15 20.924 (1) (j) of the statutes first applies with respect to projects for which design
16 work begins on the effective date of this subsection.
17

18 **SECTION 122. Effective dates.** This act takes effect on the day after
19 publication, except as follows:

20 (1) ENERGY EFFICIENCY STANDARDS FOR EQUIPMENT INSTALLED IN STATE BUILDING
21 PROJECTS. The treatment of sections 16.855 (10s) and 20.924 (1) (j) of the statutes and
22 SECTION 120 (1) of this act takes effect on January 1, 2007.

23 (END)