

Wisconsin Public Service Corporation
PSCW Docket Number 05-EI-148
Prepared On: February 17, 2009

Question #1:

Wisconsin utilities for whom the Commission has previously approved an experimental ART are asked to respond to Questions 1.a. through 1.e.

- a. How did the utility decide upon the design and price of each ART?
- b. What effect did each ART have in terms of number of participating customers, enrolled capacity, and actual generation?
- c. To date, how would the total cost to the utility of each ART compare to market rates for electricity and market rates for electricity generated from renewable sources?
- d. What effect, if any, have ARTs had on utility rates, voluntary “green power” prices, and utility returns?
- e. What contribution has each ART made toward compliance with renewable portfolio standard obligations?

WPSC Response:

Wisconsin Public Service Corporation (“WPSC”) has implemented one ART that is applicable for solar installations up to 20 kW in size. This experimental solar ART was approved in WPSC’s UR-119 rate case and implemented on 1/1/2009.

The program was designed to help WPSC better understand small customer owned solar PV costs, operational issues, and reasons that customer chose solar PV. The solar energy purchased by WPSC will be used as part of renewable energy to WPSC’s optional NatureWise program.

WPSC reviewed similar programs offered by other utilities in setting the program design. The price was set at a level the Company felt would be high enough to attract customer participation. The price was not based on any specific average cost estimate. A unique aspect of WPSC’s program is that customers that participate in the solar ART are required to respond to a survey to allow WPSC to obtain installation and operational costs and issues, as to understand the main drivers of the customer purchase. This will help WPSC understand the costs, customer drivers, and help improve its contract, interconnection and billing processes.

Although the program was first implemented on 1/01/2009, WPSC already has a total 40 kW of installations under contract. WPSC has the right to cap participation level at 300 kW.

WPSC pays 25 cents/kWh (\$250/MWh) for the energy purchased under the program. This compares to the 2008 average on-peak LMP of little under \$70/MWh for the WPSC load zone at which WPSC's customers are served. The average cost of WPSC's other renewable energy sources vary in a range of 5 to 12 cents/kWh depending on the on-peak generation percentages.

WPSC intends to use this energy as part of NatureWise supply and not part of its efforts to meet the RPS. WPSC makes a clear separation between energy used to meet RPS requirements and energy used to supply voluntary green energy programs. There is no "double counting".