

PUBLIC SERVICE COMMISSION OF WISCONSIN

Minutes and Informal Instructions of the Open Meeting of
Thursday, October 20, 2016

The Public Service Commission of Wisconsin (Commission) met as noticed. Present were Chairperson Nowak, Commissioner Montgomery and Commissioner Huebsch.

Minutes

The Commission approved the minutes of the open meetings of Thursday, October 6, 2016, and Thursday, October 13, 2016.

5-AI-100 – Joint Application of Wisconsin Public Service Corporation and Wisconsin Electric Power Company for Approval of Affiliated Interest Agreements Related to a Transaction by which Upper Michigan Energy Resources Corporation Would Acquire Certain Assets Located in the Upper Peninsula of Michigan

The Commission approved the Notice of Investigation and directed it be signed by the Secretary to the Commission on behalf of the Commission.

5-BS-217 – Application of the City of Menasha and WPPI Energy for Approval of the Sale of Certain Electric Utility Facilities from WPPI to Menasha pursuant to Lease Agreement

The Commission approved the Notice of Investigation and directed it be signed by the Secretary to the Commission on behalf of the Commission.

3270-CG-123 – Application of Madison Gas and Electric Company for a Certificate of Authority to Update its Customer Information System

The Commission approved the Notice of Investigation and directed it be signed by the Secretary to the Commission on behalf of the Commission.

6680-RM-100 – Application of Wisconsin Power and Light Company for Approval of its Risk Management Plan for Hedging

The Commission approved the Notice of Investigation and directed it be signed by the Secretary to the Commission on behalf of the Commission.

3420-WR-106 – Application of the City of Marshfield, Wood and Marathon Counties, Wisconsin, as a Water Public Utility, for Authority to Adjust Water Rates

The Commission approved the Notice of Proceeding and directed it be signed by the Secretary to the Commission on behalf of the Commission.

3580-PW-101 – Application of the Village of Menomonee Falls Water Utility, Waukesha County, Wisconsin, for Authority to Adjust Water Rates through its Purchased Water Adjustment Clause

The Commission approved the Notice of Proceeding and directed it be signed by the Secretary to the Commission on behalf of the Commission.

4780-WR-107 – Application of the City of Port Washington, Ozaukee County, Wisconsin, as a Water Public Utility, for Authority to Adjust Water Rates

The Commission approved the Notice of Proceeding and directed it be signed by the Secretary to the Commission on behalf of the Commission.

1-AC-248 – Adopting Updated Federal Gas Pipeline Safety Code

Notice of Rulemaking Without Hearing and Request for Comments

The Commission approved the Notice of Rulemaking without Hearing and draft rules regarding adopting updated federal regulations concerning natural gas pipeline safety.

The Commission directed the Division of Energy Regulation to make the necessary filings.

5-BS-214 – Joint Application of Wisconsin Power and Light Company, Wisconsin Public Service Corporation, and Madison Gas and Electric Company for Approval of the Sale and Purchase of Ownership Interests in the Columbia Energy Center, Located in Columbia County, Wisconsin

The Commission approved the proposed sale and purchase of ownership interests in the Columbia Energy Center from Madison Gas and Electric Company (MGE) and Wisconsin Public Service Corporation (WPSC) to Wisconsin Power and Light Company (WP&L). The Commission determined that WPSC shall defer the revenue requirement impacts associated with the transaction for 2017 until WPSC's next rate case proceeding. The Commission further determined that it would address the revenue impacts of the transaction for 2017 in MGE's pending rate case proceeding, docket 3270-UR-121, and WP&L's pending rate case proceeding, docket 6680-UR-120.

The Commission directed the Division of Energy Regulation to draft an order consistent with its discussion.

6680-GF-133 – Wisconsin Power and Light Company's Voluntary Utility Programs

The Commission approved Wisconsin Power and Light Company's request to fund its voluntary energy efficiency program from July through December 2016.

The Commission directed the Division of Energy Regulation to draft an order consistent with its decision.

5-FE-102 – Investigation into Improving Access to the Statewide Energy Efficiency and Renewable Resource Programs in Rural Wisconsin that are Underserved by Broadband Service Providers

5-FE-100 – Quadrennial Planning Process II

2017 – 2018 Program and Budget, Renewable Energy Loan Program, and Anaerobic Digesters

The Commission discussed various issues associated with the Focus on Energy program (Focus) as identified in the Commission Agenda Memorandum dated October 6, 2016, filed in dockets 5-FE-102 ([PSC REF#: 292768](#)) and 5-FE-100 ([PSC REF#: 292767](#)) and made the following preliminary determinations:

1. The Commission concluded that it would authorize the development of statewide energy efficiency and renewable resource programs in rural areas of the state for residential and business customers to support more equitable access to energy efficiency and renewable resource programs as well as support increased access to broadband. The Commission directed the Focus Program Administrator, Chicago Bridge & Iron (CB&I), to present program alternatives to the Commission within 30 days for the Commission's review and approval. Such programs shall be designed to increase participation in rural areas of the state and to tie the use of the internet to increased use of energy efficiency measures. These programs may include rebates, product offers and incentives for smart thermostats and other internet connected devices as well as more traditional Focus offerings for residential and small business customers such as the Simple Energy Efficiency program and appliance recycling. Commission staff and CB&I shall consider and make recommendations on ways to incentivize broadband providers to market Focus programs along with new or upgraded service. Commission staff and CB&I shall also consider programs that would improve energy efficiency in the build out of rural broadband service.

2. Commission staff shall conduct outreach to the cooperatives that have elected not to participate in Focus and report back to the Commission on the outcome of that outreach with recommendations for any policy or program changes that may improve Focus participation.
3. CB&I is not required to implement the Energy Check program as a Focus behavioral pilot.
4. The Renewable Loan Fund (RLF) shall be discontinued. The funds remaining in the RLF shall be used in 2017 and 2018 to pay renewable resource incentives. Commission staff and CB&I shall present within 30 days for the Commission's review recommendations as to the appropriate level of such incentives, as well as a recommendation as to the allocation of incentives between residential and business customers.
5. The Commission established an inter-agency working group on anaerobic digesters to be led by the Executive Assistant to the Commission Chair. This working group shall work with CB&I to develop and present Focus program alternatives to the Commission within 30 days for the Commission's review and approval.
6. The Designated Fund target shall be reduced from \$30 million to \$5 million.
7. For 2017, the \$3.2 million in previously uncollected municipal and cooperative contributions to Focus shall be allocated to existing core Focus programs.
8. The Commission authorized funding for new rural and anaerobic digester programs up to a maximum of \$47,569,767 with between \$20 to \$35 million for rural programs and between \$10 and \$20 million (inclusive of the \$6.1 million previously allocated for anaerobic digesters), subject to final review and allocation after receipt and review of specific program design and offerings. These funds consist of the following:
 - a. \$6,103,786 in previously unallocated funds;
 - b. \$3.2 million in previously unallocated 2018 municipal cooperative funds;
 - c. \$25 million due to the lowering of the Designated Fund target; and
 - d. \$7,099,978 in 2015 carryover funds.

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The Commission directed the Division of Business and Program Management to draft an interim order consistent with its discussion.

The Commission adjourned the meeting at 11:00 a.m.

Sandra J. Paske
Secretary to the Commission

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