Utility Regulation Report

PSCW Open Meeting Report Thursday, March 16, 2023, at 10:30 a.m.

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Present: Chair Valcq and Commissioners Huebner and Strand.

Agenda Item 1. 3-0, Approved the Minutes of the open meeting of Thursday, March 9, 2023.

Agenda Item 2. 5-UI-121 3-0, Issued the Notice of Investigation in the Investigation of Wisconsin Electric Power Company and Wisconsin Gas LLC Development of Alternative Low-Income Assistance Programs, Including a Potential Percentage of Income Payment Pilot

Background. This is an investigation to consider Wisconsin Electric Power Company's (WEPCO) and Wisconsin Gas LLC's (WG) development of alternative low-income assistance programs, including a Potential Percentage of Income Payment Pilot. The Commission opens this docket by its authority under Wis. Stat. ch. 196.

This investigation stems from the Final Decision in docket 5-UR-110. (PSC REF#: 455451.) That docket identified innovative low-income assistance programs that may be worthy of consideration, as well as procedural proposals related to program development and design. The Commission found that those suggestions merited further development and consideration. The Commission ordered WEPCO and WG to work with Citizens Utility Board, Commission staff and other interested groups on developing alternative low-income assistance programs, including a potential Percentage of Income Payment Pilot.

The Commission opens this docket to investigate WEPCO's and WG's collaborative effort in the development of alternative low-income assistance programs, including a Potential Percentage of Income Pilot. Subsequent steps in the investigation will identify opportunities for collaboration and dialogue.

Please direct questions about this docket or requests for additional accommodations for the individuals with disabilities to the Commission's case coordinator,

Kara McFerren, at (608) 267-2891 or Kara.McFerren1@wisconsin.gov.

Discussion. No discussion.

Agenda Item 3. 6680-TE-110 3-0, Issued the Notice of Investigation in the Application of Wisconsin Power and Light Company for Approval of Renewable Energy Partner Program Contract

Background. This is an investigation to consider the application of Wisconsin Power and Light Company (applicant) for approval of a renewable energy partner program contract under Schedule REP-1, intended to provide 5 megawatts of dedicated renewable energy generation for the manufacturing facility of Mercury Marine, a division of Brunswick Corporation, in the City of Fond du Lac, Wisconsin. The Commission opens this docket by its authority under Wis. Stat. ch. 196. The Commission intends to conduct this investigation without a hearing.

Please direct questions about this docket or requests for additional accommodations for the individuals with disabilities to the Commission's case coordinator Cade Bauer-Showers at (608) 267-1201 or Cade.BauerShowers@wisconsin.gov.

Discussion. No discussion.

Agenda Item 4. 9300-GI-107 3-0, Issued the Notice of Proceeding in the Investigation into Grand Geneva, LLC d/b/a Grand Geneva Resort and Spa, as a Pipeline Operator, for Noncompliance with Pipeline Safety Regulations

Background. This is a proceeding to investigate Holiday Acres Properties, Inc. d/b/a Holiday Acres Resort (Holiday Acres), as a pipeline operator, for potential noncompliance with standards relating to the safe operation of natural gas facilities in this State. The Commission intends to investigate Holiday Acres for violations of 49 CFR Part 192, incorporated by Wis. Admin. Code § 135.019(1). The Commission opens this docket by its authority under Wis. Stat. § 196.745.

Pursuant to Wis. Stat. § 196.745(2), violations may result in a forfeiture of an amount not exceeding \$25,000, where each day of violation is a separate violation, and where no person may forfeit an amount exceeding \$500,000 for a single persisting violation.

This is a Class 2 proceeding as defined in Wis. Stat. § 227.01(3)(b).

Please direct questions about this docket or requests for additional accommodations for the individuals with disabilities to the Commission's case coordinator Alex Rodriguez at (608) 516-4066 or Alex.Rodriguez@wisconsin.gov.

Discussion. No discussion.

Agenda Item 5. 5-TE-101. Regarding the Joint Application of Wisconsin Electric Power Company and Wisconsin Public Service Corporation for Approval of Modifications to the Solar Now and Dedicated Renewable Energy Resource Pilot Tariffs and Approval of the Renewable Pathway Pilot Tariff and Deferral Requests

2-1 (Strand), The Commission did not accept the application of Wisconsin Electric Power Company and Wisconsin Public Service Corporation for Approval of Modification and Implementation of the Solar Now pilot program.

3-0, Consistent with their discussion, the Commission accepted the application of Wisconsin Electric Power Company and Wisconsin Public Service Corporation for Approval of Modifications to Wisconsin Electric Power Company's Dedicated Renewable

Energy Resource pilot program.

The Commission laid over the application of Wisconsin Electric Power Company and Wisconsin Public Service Corporation for Approval of the newly proposed Renewable Pathway Pilot tariff and the request to defer costs associated with the Renewable Pathway Pilot proposal.

Background. Please click <u>here</u> for the Commission staff memorandum supporting this item.

COMMISSION DECISIONS

Commission Alternatives – Solar Now – WEPCO – Program Expansion

Decision: 2-1 (Strand), Alternative Three **Alternative One:** Approve the proposed Solar Now expansion as filed.

Alternative Two: Approve the proposed Solar Now expansion with modifications or conditions as determined by the Commission.

Alternative Three: Deny the proposed Solar Now expansion.

Commission Alternatives – Solar Now – WEPCO – Capacity Accreditation Methodology.

Decision: 2-1 (Huebner) Alternative One **Alternative One:** Approve the Solar Now tariff language regarding the valuation of capacity accreditation methodology as filed.

Alternative Two: Modify the Solar Now tariff language to fix the capacity accreditation methodology for customers through the term of the Solar Now lease and service agreement.

Alternative Three: Modify the Solar Now tariff language pertaining to the capacity accreditation methodology consistent with Commission discussion.

Commission Alternatives – Solar Now – WPSC – Request to Implement Program

Decision: 2-1 (Strand), Alternative Three **Alternative One:** Approve the proposed Solar Now program as filed.

Alternative Two: Approve the proposed Solar Now program with modifications or conditions as determined by the Commission.

Alternative Three: Deny the proposed Solar Now program.

Commission Alternatives – Solar Now – WPSC – Capacity Accreditation Methodology

Decision: 2-1 (Strand) to deny.

Alternative One: Approve the Solar Now tariff language regarding the valuation of

capacity accreditation methodology as filed.

Alternative Two: Modify the Solar Now tariff language to fix the capacity accreditation methodology for customers through the term of the Solar Now lease and service agreement.

Alternative Three: Modify the Solar Now tariff language pertaining to the capacity accreditation methodology consistent with Commission discussion.

Commission Alternatives – DRER – WEPCO – Capacity Accreditation Methodology

Decision: 3-0, Alternative One consistent with the Commission's discussion.

Alternative One: Approve the DRER tariff language regarding the valuation of capacity accreditation methodology as filed.

Alternative Two: Modify the DRER tariff language to fix the capacity accreditation methodology for customers through the term of the DRER service agreement.

Alternative Three: Modify the DRER tariff language pertaining to the capacity accreditation methodology consistent with the Commission discussion.

Commission Alternatives – DRER – WEPCO – Program Reduction

Decision: 3-0, Alternative One consistent with the Commission's discussion.

Alternative One: Approve the proposed DRER program reduction as filed.

Alternative Two: Approve the proposed DRER reduction with modifications or conditions as determined by the Commission.

Alternative Three: Deny the proposed DRER reduction.

Commission Alternatives – WEPCO Renewable Pathway Pilot Program

Decision: Laid Over

Alternative One: Approve the proposed Renewable Pathway Pilot program as filed.

Alternative Two: Approve the proposed Renewable Pathway Pilot program with modifications or conditions as determined by the Commission.

Alternative Three: Deny the proposed Renewable Pathway Pilot program.

Commission Alternatives – WPSC Renewable Pathway Pilot Program

Decision: Laid Over

Alternative One: Approve the proposed Renewable Pathway Pilot program as filed.

Alternative Two: Approve the proposed Renewable Pathway Pilot program with modifications or conditions as determined by the Commission.

Alternative Three: Deny the proposed Renewable Pathway Pilot program.

Commission Alternatives – Customer Notifications of Renewals, Terminations, and Transfers

Decision: Laid Over because it is dependent on the decision relating to the Renewable Pathway Pilot

Alternative One: Accept the applicants' proposed renewal, termination, and transfer tariff language as filed.

Alternative Two: Accept the applicants' proposed renewal, termination, and transfer tariff language as filed, and direct the applicants to work with Commission staff on developing standard notifications to customers.

Alternative Three: Take some other action with respect to renewal, termination, and transfers consistent with the Commission's discussion.

Commission Alternatives –Waiver Provision

Decision: Laid Over because it is dependent on the decision relating to the Renewable Pathway Pilot

Alternative One: Approve the applicants' proposed waiver provision as filed.

Alternative Two: Approve the applicants' proposed waiver provision with modifications or conditions as determined by the Commission.

Alternative Three: Deny the applicants'

proposed waiver provision and direct the applicants to propose additional tariff language and delegate approval of the proposed tariff21 language to the Administrator of the Division of Digital Access, Consumer and Environmental Affairs.

Alternative Four: Deny the applicants' proposed waiver request.

Commission Alternatives – Deferral Accounting Decision: No decision (or discussion) due to prior decisions.

Alternative One: Approve the applicants' deferral request for the WEPCO expansion of the Solar Now Program, the WPSC implementation of the Solar Now Program, and the implementation of the applicants Renewable Pathway Pilot and do not apply carrying costs.

<u>Sub-Alternative A</u>: Include the express condition that the authorization is for accounting purposes only and does not bind the Commission to any specific treatment (i.e. recovery) for this item in any future proceeding involving rates or other matters before the Commission.

<u>Sub-Alternative B</u>: Do not include the express condition that the authorization is for accounting purposes only and does not bind the Commission to any specific treatment (i.e. recovery) for this item in any future proceeding involving rates or other matters before the Commission.

Alternative Two: Approve the applicants' deferral request and apply carrying costs at the short-term debt rate, or at a rate determined by the Commission.

<u>Sub-Alternative A</u>: Include the express condition that the authorization is for accounting purposes only and does not bind the Commission to any specific treatment (i.e. recovery) for this item in any future proceeding involving rates or other matters before the Commission.

<u>Sub-Alternative B</u>: Do not include the express condition that the authorization is for accounting purposes only and does not bind the Commission to any specific treatment (i.e. recovery) for this item in any future proceeding involving rates or other matters before the Commission.

Alternative Three: Deny the applicants' deferral request.

COMMISSION DISCUSSION

Solar One Program Expansion/Implementation and Capacity Accreditation Methodology.

On July 19, 2022, Wisconsin Electric Power Company (WEPCO) and Wisconsin Public Service Corporation (WPSC) (together, applicants¹) filed an application requesting approval to modify and extend two existing programs and add one new program. (PSC REF#: 443100.) Through the filed application, WEPCO is seeking to modify and expand the existing Solar Now pilot program into a regular (non-pilot) program, modify the Dedicated Renewable Energy Resource Rider (DRER), and add the Renewable Pathway Pilot program. Additionally, WPSC is seeking approval to implement the Solar Now Pilot program and Renewable Pathway Pilot program.

Valcq said they would first look at the Solar Now program, and the Commission originally authorized this program in docket 6630 -TE-102. She said this is a program specifically designed for commercial and industrial customers who wish to host solar PV arrays on their property. Those arrays are owned and operated by WEPCO with all energy delivered to WEPCO's distribution system. In exchange for hosting the PV facilities, participating customers receive lease payments. These lease payments are set at the cost of new entry (CONE) as determined by MISO. The CONE value would be set upon signing the contract and would remain the same throughout the term of the contract. The actual amount paid to customers would be the CONE price times the size of the hosted array times the MISO accredited capacity for those solar PV resources. As part of the calculation, the solar PV system would receive a capacity accreditation for 50% of its nameplate capacity in the first year. After that, the capacity will be set based on the performance of that array on a rolling three-year average.

Valcq said they spent a fair amount of time talking about the accredited capacity value, and the changes that are being proposed and discussed within the MISO market. She said this will obviously affect the lease payment because it is

going to impact that last multiplier related to the 50%. At present, the applicant states that the Solar Now pilot is nearly fully subscribed, and that it has approximately 20 customers on a waiting list, so they are seeking to increase the participation cap from 35 megawatts to 60 megawatts. Valcq added that there was some back and forth in terms of data that was provided. She said they requested a comparison of what this additional energy efficiency would look like, and after some initial pushback, they did get the information that they requested.

Valcq said this is only commercial and industrial customers, and they don't necessarily get the energy because the energy is being delivered to the distribution system. She said when they look at programs like Solar Now, they may have made sense years ago, but they need to evolve with the way the market is changing. Valcq had concerns with the program itself and would not vote to allow it to be expanded.

She said as it relates to the capacity accreditation, the applicant filed the same tariff language regarding the valuation of capacity accreditation, and then there was information on the record that would allow customers to fix the capacity accreditation through the term of their lease. She said the question is do you fix it at the outset or do you have it reflect the market. Valcq said everything that they do should try to at least get as close as possible to reality, and so she wasn't a fan of fixing it at the start of the contract because that doesn't reflect what's happening in the market.

Valcq said as it relates to the customers that are currently on the tariff, she would allow the language regarding the valuation of capacity accreditation to stay as filed (Alternative One). She supported Alternative Three to deny the Solar Now expansion for WEPCO, and added that she would also deny WPSC the approval to implement this program (Alternative Three).

Valcq said with the proliferation of programs coming from the federal government under the IRA and the Bipartisan Infrastructure Law, she got concerned when utilities use their monopoly position to gain an advantage in what should be the private marketplace. She said if you are a commercial or industrial customer and want to have a solar array on your property, you should be able

to go out and build that solar array and enjoy the benefit of receiving the energy directly to the facility.

Huebner said this program came in as an expansion, but then obviously the public comments made it clear that it was more than a question of expansion because it brings up questions of monopoly entrance into the competitive marketplace. He said it brings up the question of cost effectiveness, and if this is a capacity addition. what's the most effective way to do that. Also he said in the past, schools and nonprofits couldn't get the tax credits, and now they can. Huebner said there are new and different options available now versus many years ago. He joined Valcq at Alternative Three to deny WEPCO's expansion and WPSC's implementation of Solar Now because there are many unanswered questions that arose. He suggested that they work with some of the groups that provided comments, such as CUB, RENEW, and Vote Solar, as there may be parts of the solar marketplace that really are hard to reach even with tax credits.

Relative to the capacity accreditation, Huebner wondered why the rent payment is even connected to capacity. For that, he supported Alternative Three and would have directed them to decouple their lease payments from MISO's capacity accreditation entirely, because he didn't feel there needed to be that connection.

Strand said relative to the accreditation methodology, she joined Valcq and would keep it as filed as she felt it captured a more realistic cost at the time. She said while it can fluctuate, there were savings that could be captured depending on where you are in the market. Strand felt the applicant has proven that the demand is there, and she would have supported expanding the WEPCO program (Alternative One). Strand said they have several checks and balances and several avenues to share concerns and issues with the hope that they will continue to modify this to make it more available. She didn't feel denying expansion was necessarily the right thing to do since there is proven demand. Strand added that she was in the same spot for WPSC and would have allowed the implementation (Alternative One).

Strand confirmed that for WPSC, she would Approve the Solar Now tariff language regarding

the valuation of capacity accreditation methodology as filed (Alternative One); and Approve the proposed Solar Now program as filed (Alternative One). Similarly, for WEPCO she supported Approve the Solar Now tariff language regarding the valuation of capacity accreditation methodology as filed (Alternative One), and would Approve the proposed Solar Now expansion as filed. (Alternative One).

Dedicated Renewable Energy Resource (DRER)

Valcq said DRER was another program that is available only to commercial and industrial customers. The DRER program allows WEPCO to contract with large commercial and industrial customers and build specific renewable resources to serve its individual customer loads. However, she said the contract structure has proven to be complicated, and they are seeing a muted interest from would be consumers largely because of the way it is structured. Valcq said other utilities in the state have similar programs, and those programs are proving to be effective, and they're meeting a need where large energy users want that dedicated renewable resource. She said even the applicant acknowledges in its filing that they made it too complicated.

Valcq said the DRER contract structure is designed to require the customer to pay for the entire capital, financial, and operations and maintenance costs of the resource as a separate bill item. Participating customers will also receive credits on their bills that represent the market value of the designated resource. WEPCO will make energy payments to the customer, based on energy production and MISO energy market prices.

Valcq said once they got into how the credits were going to be calculated that is where they lost people. Valcq said they are seeking to reduce the limit of the program to the existing cap of 35 megawatts, and she was fine with them reducing it as filed. She said for the capacity accreditation methodology, she was in the same place as the earlier decision. Valcq supported Alternative One for the Capacity Accreditation Methodology and Alternative for the Program Reduction.

Huebner joined Valcq on both decisions.

For this one, the way the capacity accreditation was structured did make sense to him. Huebner said some of the commenters mentioned the Renewable Energy Rider as a model is working. He said these two companies got an approved version of that in their settlement and rate case last year, but it is just for a few customer classes, whereas this has a much broader list. He said the experience from MGE is that there's many customers in that broader list that have signed up for these programs. So, he would have the company relook at their Renewable Energy Rider and see if they should open it up to all these commercial customer classes, which importantly includes the governments, like the City of Milwaukee who submitted comments.

Strand agreed with her colleagues.

Renewable Pathway Pilot Program

Based on the feedback from customers on the DRER pilot, the applicants developed the Renewable Pathway Pilot program, which would allow WEPCO and WPSC customers to subscribe to a portion of a utility-scale. Wisconsin-based renewable energy generating facility. Similar in concept and design to the Voluntary Renewable Energy Rider (Renewable Connect) offered by Northern States Power Company of Wisconsin (NSPW), the Renewable Pathway Pilot would allow interested customers to subscribe to the Renewable Pathway program by electing their preferred level of energy, up to 100 percent of their annual firm energy usage. Customers would be given the option to subscribe to either a one-year or five-year subscription period.

Customers participating in the Renewable Pathway pilot will pay a net price per kWh rate, which is comprised of two primary components. The first component, the cost per kWh, represents the embedded costs associated with a representative renewable energy resource.

These costs will include the resource cost, administrative and marketing costs, distribution line loss adjustments, and other miscellaneous adjustments. The second component, the credit per kWh, represents the average embedded production cost per kWh currently reflected in retail rates. Although the proposed tariffs for WEPCO and WPSC are identical, the rates for the one- year

and five-year subscription levels will differ by utility. in part, as a result of the respective embedded costs.

Valcq said currently as it is designed, this program wouldn't have any impact on either of the applicants' capacity plans, but to the extent that new customer load would increase, that could change. She had several questions. Her wondered if this isn't this just a glorified Green Pricing program. Valcq said they already have a green pricing program, Energy for Tomorrow, and it still exists for WEPCO. She said like the Renewable Pathway program, Energy for Tomorrow offers subscriptions to renewable energy generation that's paid for through a specific rate adder. She said the Energy for Tomorrow program is open to a broader range of customers, including residential customers. Energy for Tomorrow doesn't require the same type of customer service agreement, and instead customers simply subscribe to a specific participation level at a set rate. Valcq said the final distinction is that Energy for Tomorrow is not tied to specific renewable resources like the Pathway program. She was in the same spot as she was for Solar Now, and would deny this program for both utilities because she felt Energy for Tomorrow gets at the same customer demand but it's open to more customers. Additionally, she said it was very confusing, and she wondered what could happen if a renewable facility is oversubscribed and they're counting it in multiple places. Overall, she had concerns about approving this and because Energy for Tomorrow is in existence, she didn't see how this program was additive. Valcq said the applicant is welcome to come back and do a better job of explaining and addressing some of these concerns that were brought up about confusion and the potential for double counting. Valcq said she would deny this for both companies (Alternative Three). As a result, the question on deferral is moot, and the decision on customer notifications is moot.

Huebner was on the fence on this one, and wondered if they should get more comments on the concerns raised by Valcq. Alternatively, they could deny it, and allow the applicant to refile. He said in addition to Energy for Tomorrow and the attribution of RECs, he would like to see more comments on how the tax credits are going to be treated going

forward. He said this was filed before the Inflation Reduction Act came to fruition. Huebner said another comment related to the early termination fees and timelines. He said based on the process, comments were submitted and there has been no reply. He felt it would be helpful to get replies to some of these open questions. Based on this discussion, he would suggest reply comments or would send it back to staff versus outright denying it.

Strand had a similar conversation in her briefings regarding double counting and the potential for confusion. She saw this application as the potential creation of this program as an acknowledgement of the issues that they're facing with DRER. She said this might be a better pathway to help them move towards those goals without the issues they're having in attracting people to DRER. She said there are a lot of unknowns, and they didn't have enough information to decide on this. She agreed with her colleagues that more information is needed on this.

Valcq was supportive of that, noting she would be specific and invite the applicant to respond to the comments that were filed and to respond to the concerns that the Commission raised in its discussion.

Key Background Documents

RENEW Comments - PSC REF#: 460842

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M Barnett comments opposed - PSC REF#: 460850
Comments of the City of Milwaukee - PSC REF#: 460868
Joint Applicant Comments - PSC REF#: 460915
CUB Comments on Staff Memorandum - PSC REF#: 460917
Vote Solar Comments (refiled) - PSC REF#: 461603
Exhibit to Vote Solar Comments-Workpapers. - PSC REF#: 461604
Tr. 1-21 Public and Party Hearing Session - PSC REF#: 459670
5-TE-101 Combined Renewable Energy Pilot Program Application-
Corrected - PSC REF#: 444121
Notice of Proceeding Signed and Served on 10/12/2022 - PSC REF#:
449371
CUB Request to Intervene - PSC REF#: 445213 RENEW Request for
Intervention - PSC REF#: 446752 Vote Solar Motion to Intervene - PSC
REF#: 450387
WIEG's Request to Intervene and Notice of Appearance - PSC REF#:
450431 Final Decision signed and served 12-28-18 - PSC REF#:
Response-Data Request-PSC-JMS-1.1 - PSC REF#: 450000
Response-Data Request-PSC-JMS-1.2 - PSC REF#: 450109
Response-Data Request-PSC-JMS-1.4 - PSC REF#: 450002
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Response-Data Request-PSC-JMS-1.5 - PSC REF#: 450003 Response-Data Request-PSC-JMS-1.3 - PSC REF#: 450001 Response-Data Request-PSC-JMS-1.7 - PSC REF#: 450005 Response-Data Request-PSC-JMS-1.8 - PSC REF#: 450006 Order signed 12-12-17 and served 12-13-17 - PSC REF#: 334830 Order Signed and Served 2-8-18 - PSC REF#: 337504

Final Decision signed and served 3-20-18 - PSC REF#: 339856

Key Background Documents

Agenda Item 6. 4220-TE-112 3-0, The

Commission approved Northern States Power Company Wisconsin's proposed Renewable Energy Rider (RER) pilot program as filed with the revised participation cap request of 200 megawatts. The Commission approved the applicant's proposed reporting requirements and directed the applicant to file a combined VRE-3 and Solar*Connect CommunitySM annual reports in dockets 4220-TE-101 and 4220-TE-112. The Commission adopted the Order conditions stating that the RER sets the framework under which future contracts will be reviewed by the Commission pursuant to Wis. Stat. § 196.192, and that any future RER contract will have to demonstrate benefits to the customer without causing harm to the applicant and non-participants. The Commission also approved the applicant's proposed waiver provision as filed.

Background. Please click <u>here</u> for the Commission staff memorandum supporting this item.

Discussion. No discussion.

RENEW Comments - PSC REF#: 461127

NSPW RER Memo Comments on 4220-TE-112 - PSC
REF#: 461203

Application of NSPW for Approval of a Voluntary Renewable Energy
Rider - Contract - PSC REF#: 443276

Notice of Investigation Signed and Served on 11/10/2022 - PSC REF#: 452430

Final Decision signed and served 12-15-16 - PSC REF#: 295447

Final Decision signed and served 7-14-17 - PSC REF#: 327993
Response-Data Request-PSC-Stevenson-1 - PSC REF#: 457127 Final Decision Signed and Served 10/13/2020 - PSC REF#: 398239 Final Decision signed and served 5-27-15 - PSC REF#: 236916

Agenda Item 7. 4220-TE-113 3-0, For the residential and commercial EV programs, consistent with their discussion, the Commission approved the Application of Northern States Power Company-Wisconsin for Approval of Electric Vehicle Programs. The discussion on the application of Northern States Power Company-Wisconsin for Approval of a New Multi-Family Housing EV Program was laid over.

Background. Please click <u>here</u> for the Commission staff memorandum supporting this item.

On August 2, 2023, Northern States Power Company-Wisconsin (applicant) filed an application with the Public Service Commission of Wisconsin (Commission) for approval of electric vehicle (EV) programs. The applicant requests Commission consideration and approval of the following proposals being made in this docket:

- Modifications to the applicant's existing residential electric vehicle program tariff;
- Modifications to the applicant's existing commercial electric vehicle program tariff; and
- A new Multi-Family Housing EV Service Pilot, which is intended to serve as an extension of its existing residential and commercial EV programs.
- Finally, while not requesting Commission approval, the applicant is requesting feedback on:
- An applicant owned public electric vehicle charging program, which the applicant intends to propose in its next rate case filing. (PSC REF#: 418562.)

COMMISSION DECISIONS

Commission Alternatives – Residential EV Program Modifications

Decision: Alternative Two with the addition of the NIST language used for MGE.

Alternative One: Approve the applicant's residential EV program modification as proposed, including: closing the Prepay option to new customers; adding the BYOC option; and adding a tariff-suspension condition for consumer alerts/warnings for charging equipment.

Alternative Two: Approve the applicant's residential EV program modification as proposed, but with conditions such as requiring the applicant to: notify the Commission of any tariff suspensions; report in subsequent rate cases how many recalls have occurred and how many customers were affected (and how they were affected); and/or report back on meter accuracy standards as they relate to approved modified programs in this docket, by September 1, 2023; and carry forward all applicable conditions from 4220-TE-104.

Alternative Three: Approve the applicant's residential EV program modification with conditions or as modified pursuant to the Commission's

discussion.

Alternative Four: Do not approve the applicant's residential EV program modification as proposed.

Commission Alternatives – Commercial EV Program Modifications

Decision: Alternative Two consistent with the Commission's discussion and addition of NIST language.

Alternative One: Approve the applicant's commercial EV program modifications as proposed, including: altering the availability criteria; altering the revenue-based extension rules formula; eliminating the Allowance Refund provision; and cancelling the Prepay Option.

Alternative Two: Approve the applicant's commercial EV program modifications as proposed, but with conditions or modifications, such as carrying forward all applicable conditions from docket 4220-TE-104.

Alternative Three: Approve the applicant's commercial EV program modification with conditions or as modified pursuant to the Commission's discussion.

Alternative Four: Do not approve the applicant's commercial EV program modification as proposed.

Commission Alternatives – Multi-Family Housing Electric Vehicle Service Pilot

Decision: Laid over consistent with their discussion for more information.

Alternative One: Approve the applicant's Multi-Family Housing Electric Vehicle Service Pilot as proposed.

Alternative Two: Approve the applicant's Multi-Family Housing Electric Vehicle Service Pilot modification with conditions or as modified pursuant to the Commission's discussion.

Alternative Three: Do not approve the Multi-Family Housing Electric Vehicle Service

Commission Alternatives – Maintain and Extend Waiver Request

Decision: Alternative One, but waivers related to the multi-family program are laid over.

Alternative One: Approve the proposed request to maintain and extend waivers approved in

docket 4220-TE-104 for the residential (EVR-1) and commercial (EVC-1) programs to the EVC-2 tariff as filed.

Alternative Two: Approve the proposed request to maintain and extend waivers approved in docket 4220-TE-104 for the residential (EVR-1) and commercial (EVC-1) programs to the EVC-2 tariff with modifications or conditions as determined by the Commission.

Alternative Three: Deny the proposed waiver request.

Commission Alternatives – Waiver Request of Wis. Admin. Code § PSC 113.0406(4)

Decision: Alternative One, but waivers related to the multi-family program are laid over.

Alternative One: Approve the proposed EVC-1 waiver request of Wis. Admin. Code § PSC 113.0406(4) as filed.

Alternative Two: Approve the proposed EVC-1 waiver request of Wis. Admin. Code § PSC 113.0406(4) with modifications or conditions as determined by the Commission.

Alternative Three: Deny the proposed waiver request and instruct the applicant to file additional tariff language and delegate approval of the proposed tariff language to the Administrator of the Division of Digital Access, Consumer and Environmental Affairs.

Alternative Four: Deny the proposed waiver request.

Commission Alternatives – Conditions and Reporting Requirements

Decision: Alternative Two consistent with their discussion.

Alternative One: Approve the proposed conditions and reporting requirements as filed.

Alternative Two: Approve the proposed conditions and reporting requirements as filed and include the following additional conditions: the applicant shall develop customer outreach related to payment issues and site host roles and responsibilities; and the applicant shall report back on meter accuracy standards as they relate to this program, by September 1, 2023.

Alternative Three: Approve an alternative action consistent with the Commission discussion.

Commission Alternatives – Public Charging

Decision: 3-0, Alternative Two

Alternative One: Direct the applicant to make specific modifications or provide additional information regarding the public charging proposals in its upcoming rate case.

Alternative Two: Take no action at this time.

Commission Alternatives – EV Advisory Services

Decision: Alternative Two

Alternative One: Direct the applicant to make specific modifications or provide additional information regarding EV Advisory Services in its upcoming rate case.

Alternative Two: Take no action at this time.

COMMISSION DISCUSSION

Proposed Residential EV Program Modifications

Valcq said EVR-1 is available to Rg-1 and Fg-1 customers, and the applicant owns and installs their charging equipment. The EV charging is measured by a submeter, and it's billed on a three-part time-of-day (TOD) rate. All other household consumption is billed at the normal Rg-1 or Fg-1 rate. Valcq said when they originally approved this residential EV home service program, there were two options for customers. Customers could opt for the bundled way of paying for the equipment and the installation costs (Bundled option), or they could prepay (Prepay option), which was a one-time upfront charge to the customer. In this proceeding, the applicant is proposing to close that Prepay option and create a Bring Your Own Charger (BYOC) option. Valcq said they are then seeking to add a provision that would allow them to suspend the tariff in the event of a safety recall. She said there was information on the record specifically related to the Chevy Volt, and why they need that ability to suspend the tariff. She would approve their modifications as they proposed, and would include conditions as laid out in the staff memorandum that would require the applicant to notify the Commission of any tariff

suspensions; report in subsequent rate cases how many recalls have occurred and how many customers were affected; and report back on meter accuracy standards.

Valcq said last week they approved MGE's program, and they talked about the accuracy and testing standards that are being worked on at the federal level. Valcq said this is happening to all utilities across the country as the federal guidelines are being worked out. She proposed that they use the exact same language as they did in the MGE case as it relates to the accuracy and testing standards. She said from their order in the MGE case, it says the applicant shall notify the Commission within 60 days of finalization of the National Institute for Standards and Technology (NIST) Standard and explain any differences between the final standard and the applicant's accuracy and testing standard. The applicant shall demonstrate how it will incorporate the final NIST accuracy and testing standards into the residential EV program, including updated program tariff provisions for approval. Valcq said the date of September 1, 2023, should stay and if the NIST standards come out ahead of that, then the Commission would be notified of that. Valcq supported Alternative Two with the addition of the NIST language used for MGE.

Huebner agreed with Valcq. He said the changes proposed are appropriate. He said this is innovation here and they are figuring out what does or doesn't work, and they are making slight changes to try to broaden the appeal of the programs. He said the BYOC approach made sense, and he also joined Valcq on her suggestion of the NIST language and conditions.

Strand agreed with her colleagues. She said it is reasonable to be consistent across programs in terms of the NIST standard, the deadline, and the conditions. She said the more information they have, the better, given such rapidly changing emerging programs and technology.

Valcq said they also needed to discuss the voluntary EV charger service program, which is the EVR-2 rate. She said this is specifically available to Rg-2 customers. Like the EVR-1 discussion, Valcq said they are proposing to close that Prepay option and then add that provision in the tariff about being able to suspend in the event of a safety

recall. Valcq was at the same position as she was for EVR-1.

Huebner and Strand agreed.

Proposed Commercial EV Program Modifications

Valcq said in their commercial program, they are seeing low participation, particularly in the revenue-based extension rules. She said they are proposing to alter that availability criteria and the way that they calculate that revenue-based extension.

Presently, customers can choose one of three service options - Full-Service option, EVSIonly option, and EVSE-only option. Under the Full-Service option, the applicant installs the EVSI with an allowance that is intended to offset traditional distribution extensions and EVSI costs with customers making a Contribution in Aid of Construction (CIAC) payment for any remaining costs. Through the EVSI-only option, the applicant installs the EVSI with an allowance that, again, is intended to offset traditional distribution extensions and EVSI costs with the customer making a CIAC payment for any remaining costs. Finally, under the EVSE-only option, a customer would not need additional EVSI, which then only requires the applicant to install and maintain the EVSE.

Valcq said they are again proposing to close the Prepay option, expand the availability to additional categories of customers, and reduce some things that were operating as barriers. Valcq said they had required that each site have at least four charging ports. To improve access and understanding for customers, the applicant has proposed to lower the availability criteria to a minimum of two Level 2 EV charging ports per site or one Direct Current Fast Charger (DCFC or Level 3) per site. They are also removing that provision for a 50-kW minimum incremental charging load, and they are proposing to eliminate that allowance refund provision. Valcq was okay with their proposed modifications for this program, but would again include the language related to NIST.

Valcq supported Alternative Two and would include all the applicable conditions from docket 4220-TE-104. She said while ChargePoint brought reasonable comments, she didn't feel compelled to

include their suggested conditions in this case. Huebner and Strand agreed.

Multi-Family Housing Electric Vehicle Service Pilot

Valcq had a lot of guestions on the multifamily program and was undecided. The program is designed to provide service for multi-family housing sites that both assign parking spots to each unit (Assigned Parking Billing option), and those that do not (Standard Billing option). She had many questions on the Standard Billing option. She said the Assigned Parking Billing option is more straightforward, and there is definitely a demand for multi-family charging. Valcq said this program would make charging infrastructure available to multi-family housing developments. Valcq said they've approved a similar program where the owner of the multi-family unit would own the infrastructure, and then the tenants are the ones that are taking service under the rate. In this case. the applicant will own and install the infrastructure. There will be a customer allowance and two options for ownership. The applicant can own it (Full-Service Option), or the site host can own it (Site Host-Provided Equipment Option). She said then you get into the billing options of Standard billing or Assigned Parking billing. She was concerned particularly about the provision that allows the site host to access policies and billing arrangements through the charging equipment, and she had a lot of questions about what that looks like. One of her questions was if she is a tenant in a multi-family building, and she is under the Standard billing option, does that mean that the landlord can set the rate that is being charged from the charger? She said if that is the case, that made her nervous. Valcq said there is a need for multi-family charging, but she had a lot of questions about how customers are going to be protected from potential unintended consequences. She wanted to hear from her colleagues.

Huebner felt the applicant's comments were helpful in that with multi-family dwellings, you have commercial size and scope buildings, but residential tenants. He said they are trying to kind of meet the multi-family dwellings from both directions. He said conceptually you could have an

EV charger right in front of the unit in your parking spot, and as a renter, if you leave two years later, there is now this utility-owned infrastructure in front of that parking spot but what if the next EV driver lives at the other end of the building. He said the commenters said this is great, but they haven't dealt with this specifically in other cases. He too felt it would be useful to get more information. He said this is a need as it's a hard-to-reach market. Huebner said they indicated that 35% of their customers are in multi-family dwellings, and so it is a market that needs to be served, but getting more information would be helpful to make sure they start it on the right foot knowing that there will continue to be innovation and changes coming.

Strand was also very confused by many aspects of this proposal. She totally supported getting more information and perhaps they could streamline the Standard and Assigned Parking design options. She said the more confusing it is, the less likely it is that people will participate.

Valcq said they are proposing it to be a pilot that would be capped at 30 megawatts. She said this is an iterative process, and it should be simple and then they can add layers of complexity. She specifically wanted to see more about the billing impact and the potential for disconnection, billing disputes or confusion around what is on the customer bill.

The Commissioners agreed to lay this over and would ask the applicant to provide more information as it relates to the multi-family housing electric vehicle service pilot.

Public Charging Proposal

Valcq said the applicant is also seeking feedback from the Commission on a public charging program, and as a threshold matter, she didn't feel comfortable issuing any thoughts or comments on what they have proposed. She said if they want comments, they're welcome to have a round table; they are welcome to talk to their customers, or they are welcome to pull together a focus group. She didn't feel this was an appropriate request.

Huebner felt CUB put in thoughtful remarks and ChargePoint had strong testimony from Minnesota. He to the extent that is helpful, the

applicant should review those.

Valcq added that it was timely that on Tuesday the announcement came out that \$700 million is now available for public charging.

Strand didn't think it was an appropriate request either.

Key Background Documents

NSPW EV Memo Comments on 4220-TE-113 - PSC REF#: 461200 RENEW Comments on Commission Memo 4220-TE-113 - PSC REF#:

ChargePoint Comments on Commission Memo - PSC REF#: 461259 CUB Comments on Staff Memo - PSC REF#: 461267

Record for Commission Review - PSC REF#: 461664

Cover Letter and Memorandum for Comment - PSC REF#: 418562 Order Signed 12/22/2020 Served 12/23/2020 - PSC REF#: 402117 Final Decision Signed and Served 7/16/2020 - PSC REF#: 393776 Supplemental Order Signed & Served 09/28/2021 - PSC REF#:

421572 Response-Data Request-PSC-Eier-01 - PSC REF#: 456603 Notice of Investigation Signed and Served 02-21-19 - PSC REF#: 359979 FINAL SEA 2028 Report - With Formatting Revisions - PSC REF#: 451939

Agenda Item 8. 5-BS-258 2-0 (Huebner abstained), The Commission approved, with all the conditions identified in the Commission memorandum, the proposed acquisition of the Koshkonong Solar Electric Generation Facility by Wisconsin Electric Power Company, Wisconsin Public Service Corporation, and Madison Gas and Electric Company from Koshkonong Solar Energy Center LLC.

Background. Please click here for the Commission staff memorandum supporting this item. Discussion. No discussion.

Key Background Documents

RENEW Comments - PSC REF#: 461272

Comments of Town of Christiana - PSC REF#: 461333

Engelstad-Lovell Comments - PSC REF#: 461355

Intervenor Rob Danielson Comments on Koshkonong Acquisition -PSC REF#: 461374

INTERVENOR KLOPP'S COMMENTS ON THE MEMORANDUM FOR COMMENT. - PSC REF#: 461382

Joint Applicants' Comments on Commission Staff Memo - PSC REF#:

CUB Comments on Staff Memo - PSC REF#: 461423

Additional Key Background Documents (see last page of memo)

Agenda Item 9. 9709-FG-2022 3-0.

Consistent with their discussion, the Commission reviewed and awarded the 2022 Energy Innovation Grant Program Awards Funded by a Grant Awarded by the Department of Energy

Background and Introductory Comments.

Please click <u>here</u> for the Commission staff memorandum supporting this item and <u>here</u> for Commissioner Huebner's handout.

Huebner led the discussion. He said this is the fourth round of awards. They originally gave a \$5 million round, a \$7 million round, and last year was a \$10 million round. This year, Huebner said they have scoped this to be another \$10 million round. There are three different activities for funding:

- Activity 1: renewable energy and energy storage;
- Activity 2: energy efficiency and demand response; and
- Activity 3: comprehensive energy planning and feasibility studies for microgrids.

Huebner said 135 grant applications were filed for over \$42 million, and consistent with history, Table Five in the memo shows an excellent distribution among nonprofits, municipalities, school districts, manufacturers, colleges, etc. He said this is a good program.

Valcq said when she is talking to large energy users and the leadership at the Wisconsin Industrial Energy Group, she gets really fired up about this program because it is critical for the state. She said they are a manufacturing heavy state and when she hears manufacturers talk about their energy costs and ways to find savings, she was very thrilled that they have this program and the ever-increasing interest as it underscores that it provides a lot of value. She said there were numerous fantastic applications that were sent in, and she wished they had the money to fund them all. She said the innovation that came through in the applications speaks volumes about the state's industrial energy users, schools, and municipalities. Huebner said it is going to be important for the Commission to continue to be doing ongoing outreach with these groups to make them aware of available opportunities. She said it is going to take innovation to make meaningful progress and to see decreased energy costs.

Huebner said they saw more from utilities than in past years and he really appreciated the

utilities supporting the customers and these applications.

Eligibility Discussion

Huebner said the first discussion relates to eligibility and the Vernon County Energy District. Huebner said they applied for a \$253,000 grant under Activity 3 and kind of mixed together the planning side and the microgrid feasibility side. Huebner said they set the maximum to \$200,000 for this activity category and explicitly said that there could only be one application per activity. He said this was perhaps a creative approach. He would deem that they are eligible (Alternative One), but would max it at \$200,000.

Valcq and Strand agreed.

Commission Alternatives - Application Eligibility – Vernon County Energy District

Decision: 3-0, Alternative One but funded at the maximum of \$200,000.

Alternative One: Deem that Vernon County Energy District's application is eligible for consideration of funding.

Alternative Two: Deem that Vernon County Energy District's application is not eligible for consideration of funding.

Alternative Three: Determine that it is not necessary to rule on the eligibility of Vernon County Energy District's application.

Award Discussion

Huebner said the memo describes the suggested awards. He provided a <u>handout</u> with a few changes.

He said on Activity 1 and Activity 2 (pages 1-2 of his handout), they've had some challenges with partial awards in the past. For Activity 1 for the WHPC-Villa West-Green Bay, he was proposing that they take that \$43,159 and just put it in the kitty as they had asked for \$373,000. In Activity 2 on page 2, for Revitalize Milwaukee, last year they asked for \$1 million, and it was reduced by one-half. He said this is good and promising and innovative in its connection between fixing up houses and getting them weatherized. So far, they're about 10% to 15% through that initial grant,

and so he felt it was prudent to reduce that second grant, and then in total over two years, they would have been funded that \$1 million. Under Activity w. he would remove for request was WHPC-Tanglewood-Kenosha as they would only get 16% of their grant and that property is recommended in Activity 1 to get fully funded (Merit Order 9 would get a \$430,000 grant). He said that frees up some money, and he would then focus on funding the four projects at the bottom of page 2 of his handout - Waukesha Foundry, American Foods Group. Lakeside Foods, and Oshkosh Defense. Huebner said all of those had very strong energy savings and strong match proposals that fit the merits of the program and the goals of the state energy program to reduce energy.

Then in looking at Activity 3, Huebner said his handout reflects the reduction from the Vernon County award down to the maximum of \$200,000, and puts \$53,282 back into that category. He then used Activity 3 to get as close to the \$10 million as possible using grants that were appropriately sized for City of Altoona, Oregon School District and Aurora Health Care Inc. He said the City of Sun Prairie was on the planning list, but he wanted to note that they were also a recipient under Activity 1 and so he skipped that one and moved onto Aurora Healthcare, which will focus on their three highest using hospital and clinic sites.

Valcq was aligned with most of Huebner's recommendations, but wanted more insight on Activity 1 for WHPC.

Huebner said because it's a \$408,000 project, giving them the award of just \$43,159 doesn't really get them anywhere. He added that under Activity 1 they are getting a fully funded award.

Valcq said she liked the projects that Huebner pulled in under Activity 2. She also agreed with the projects Huebner pulled in under Activity 3. She said many of these projects are meritorious, and she would accept all of Huebner's suggested changes.

Strand said the geographic distribution is impressive and the interest in the program is impressive. She reviewed the recommendations and supported the modifications put forth by Huebner.

Commission Alternatives – 2022 Energy Innovation Grant Award Determinations

Decision: 3-0, the Commission supported the determinations in the memo as modified by Commissioner Huebner's handout.

Alternative One: Determine that certain applications for 2022 Energy Innovation Grants should receive a grant award and the amount of the awards.

Alternative Two: Remand the matter back to Commission staff for additional investigation.

Key Background Documents

9709-FG-2022 EIGP Awards Memorandum.docx - DL: 1927064

ATTACHMENT 1 9709-FG-

2022 AllApplicationsMeritOrderFIN.docx - DL: 1935223

ATTACHMENT 2 9709-FG-

2022 MapsAllApplicants ApplicantsRecommended.pdf - DL:

<u>1930961</u>

ATTACHMENT 3 9709-FG-2022 Summary of Prior

Awards.xlsx - DL: 1927704 ATTACHMENT 4 9709-FG-2022 SummaryMultipleApplications.docx - DL: 1927705

[END]

The next open meeting is scheduled for Thursday, March 23, 2023, at 10:30 a.m.

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