

Wisconsin Act 141: Sausage Making in Wisconsin

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Background

- Prior law capped total EE expenditures at about \$63 million per year
- Public Benefits funds with a primary focus on social benefits
- Administered by a state agency with WI non-profit program administrator
- Funds consistently subject to diversion to balance the general fund
- Municipals & Co-ops have a separate program

Act 141: Objectives

- Grew out of Governor's Task Force of the "usual suspects"
- Culminated in passage of Act 141 effective 2006 with only 1 dissenting vote
- Objectives going into development of Act 141
 1. Prevent diversion of funds
 2. Increase level of funds for EE and allow change to an energy savings target rather than a capped budget
 3. Re-establish EE as a resource and re-integrate into PSCW resource planning

Act 141: Provisions

- Funds moves from state fund back to utilities (funding security)
- Increase a to minimum 1.2% of total electric & natural gas revenues per year (about \$90 m)
- Oversight moves back to PSCW with stated purpose to treat EE as a resource
- Act directs use of savings targets/goals
- At least every 4 years contested case hearing on policies, goals & budgets

Act 141: Provisions continued

- Strong focus on statewide programs
- 3rd party independent administrator selected through competitive bid
- Priority priority areas:
 1. Moderate growth in electric natural gas demand and usage
 2. Facilitate markets and assist market providers to achieve higher levels of EE
 3. Mitigate adverse environmental impacts

Act 141: The Sausage Part

- PSCW can increase funding but with legislative committee approval
- PSCW cannot order individual utilities to do more than required under Act 141
- Utility-retained or voluntary programs with PSCW approval (but with M&V & targets)
- Large customer “opt-out” choice

Act 141: Other Provisions

- Increased WI RPS from 2.2% to 10% for all electricity consumed by end of 2015
- State must purchase renewable energy to meet at least 10% of total annual energy usage in 2015 (interim step requirement)
- State purchasing requirements must be high efficiency (Energy Star)
- Requires adoption of 2006 IECC commercial code and regular 3 year update
- Accompanied by Executive Order 145 that requires new state buildings exceed new commercial code by at least 30% and existing bldgs. reduce energy usage/sq. foot by 20% by 2010

Why Act 141 Is Important

- Like other states moves toward EE target backed by adequate spending
- Treats EE as the first priority resource that is an essential part of resource efforts
- Promotes State as a Leader
- Reinvigorates EE efforts beyond voluntary programs
- Moves WI 15 years back to the future

Act 141: The Beginning

- GWTF building on: 1.5% annual savings target for electric and 1% for gas (about 3 times current funding) to PSCW
- Action on appliance standards, light bulb performance standards, residential building codes and point of sale requirements
- Increased RPS to 25% by 2025
- Provide fundamental direction change for WI, this time in the right direction