Electric Issues

SUPPORT PUBLIC SERVICE COMMISSION REFORM ACT
AB 804 / SB 654
MEUW supports this legislation. AB 804 / SB 654 includes technical changes needed to streamline Public Service Commission of Wisconsin processes, enhances both public safety and the safety of utility infrastructure, and fixes the Focus on Energy double counting issue, thus saving ratepayers money.

- Wisconsin municipal utilities have long supported the Focus on Energy program and have contributed their energy efficiency funding amounts to the statewide energy program for many years. Like most utilities, our cheapest resource is the unit of energy that we do not have to generate or purchase ourselves. Focus on Energy helps us reduce our system peak demand, saves our customers money on their electric bills and enhances customer satisfaction. However, the current method of collecting revenue for Focus on Energy includes the wholesale revenues of the investor-owned utilities, which we believe was an oversight in the original bill. Investor-owned utilities have been paying a percentage into Focus when they sell electricity at wholesale and the party purchasing the wholesale electricity has been paying into Focus when they sold that same electricity at retail. Specifying that utilities must pay into Focus on Energy based solely on retail sales will correct the “double counting” issue.

- Correcting the double counting will result in reduced collections of about $7 million for Focus on Energy, out of a budget of over $100 million.

- We believe that now is the time to simply correct the “double counting” issue. However, we would have some concerns if the bill was expanded to address the funding reduction. Energy efficiency will play a crucial role in how Wisconsin utilities comply with the EPA’s Clean Power Plan (CPP). If the CPP is upheld as legal, we believe that would be the time to begin a discussion on what Focus should look like going forward.

COVERAGE FOR NEW PARTICIPATING EMPLOYERS IN THE WISCONSIN RETIREMENT SYSTEM
SB 134 / AB 156
SB 134 / AB 156 permits municipalities interested in participating in the Wisconsin Retirement System (WRS) the option to join incrementally by applying the benefit to only newly hired employees. It also provides flexibility to those municipalities who choose not to include any of its public utility employees. MEUW supports this legislation because it provides flexibility to our members that may wish to retain their existing retirement plans in order to remain competitive in a tight labor market for electric lineworkers, meter technicians and executive staff. SB 134 passed the Senate on a voice vote on Feb. 9, 2016.

SALE OF WATER UTILITIES
AB 554 / SB 432
Municipal utilities oppose provisions in AB 554 / SB 432 that eliminate the right of citizens to vote on the possible sale or lease of a municipal water utility after the PSC reviews the proposed transaction and sets the final price and terms of the sale. These bills create a burdensome petition process that citizens must undertake in order to put the proposed sale or lease before voters in a referendum, and further provide the referendum is to be held before the PSC reviews the proposed transaction and sets the final price and terms of the sale. We feel that it is important that the referendum be held after the conditions of the sale and services are determined by the PSC so that affected ratepayers and elected officials are able to make educated decisions on what is best for their community based on the facts.
MULTI-DISCHARGER VARIANCE LEGISLATION

The Multi-Discharger Variance (MDV) was enacted as 2013 Act 378. The central purpose of the MDV is to create a mechanism for point sources such as municipal wastewater treatment plants to direct funds to the existing county nonpoint program, where those resources can have the most significant impact on phosphorus reduction. The MDV works by giving eligible point sources a variance from stringent and costly phosphorus water quality based limits in exchange for paying counties a fee of $50 per pound of phosphorus that is to be used in the nonpoint program.

EPA must approve this variance. Since the passage of 2013 Act 378, EPA is requiring certain legislative changes so that Wisconsin law better tracks recently enacted EPA regulations before EPA will approve the MDV package. SB 567 / AB 735 will implement these EPA required changes.

The specific legislative changes in SB 567 / AB 735 relate primarily to DNR and EPA review of the MDV and include:

- A requirement that DNR must review approvals granted under the MDV every three years to determine whether any water quality standards to which the MDV applies are attainable.
- A requirement that DNR must review the interim effluent limits under the MDV every five years to determine whether they are consistent with the highest attainable condition for eligible point sources and categories of point sources.
- A provision that DNR may, in addition to the above, review the applicable interim effluent limits for point sources that have been approved for the MDV at the time of permit issuance and at each reissuance or modification to ensure that those limits are consistent with the highest attainable condition for the point source.

AB 735 is scheduled for an Assembly vote on February 16, and is expected to pass. We still encourage you to speak to your Senators about quick passage of the Senate companion bill, SB 567. DNR has decided that it will not send the MDV package to EPA for approval until after these changes are adopted, which means any delay in passage will significantly delay implementation of the MDV. Many municipal permittees are “on the clock” because they have permits that require them to make a choice on compliance options this year or within the next year or two. The proposed changes to the MDV are supported by the Municipal Environmental Group – Wastewater Division.

GROUNDWATER LEGISLATION

AB 477 / SB 291

Municipal water utilities are concerned about high capacity well legislation that fails to recognize the crucial importance of public water supply. Current law provides that a public water supply well may be approved even if it could result in a significant environmental impact if the DNR determines that there is no other reasonable alternative location for a well and provides well approval conditions that ensure that the environmental impact of the well is balanced by the public health and safety benefits of the well. This provision in current law recognizes the critical importance of public water supply and the great deal of scrutiny the permitting of a new public water supply well already receives by both the DNR and the PSC. Any new high capacity well legislation must continue to allow a public water supply well to be approved if the DNR determines that there is no other reasonable alternative location for the well and the environmental impact of the well is balanced by the public health and safety of the well. We feel that a complete and total moratorium on the construction of new public water supply wells in any area of the state is not reasonable or realistic.

PSC 185 CODE REVISIONS

Municipal utilities are concerned about the Public Service Commission’s extensive rewrite of PSC 185, the administrative rules which govern the operation and management of public water utilities. Our concerns are that the rules are becoming more prescriptive, administratively complex, and more costly without providing meaningful benefits to customers. We are concerned that some proposed rules are redundant and the PSC is including in its regulations areas already addressed by the DNR. We are also concerned that in other proposed rules the PSC is proposing regulations that are contrary to statute and court decisions. Municipal water utilities are willing to work with the Public Service Commission and legislature on regulatory reform initiatives to develop streamlined regulations that will result in the provision of quality water services at a reasonable cost to customers.