



State of Wisconsin
2005 - 2006 LEGISLATURE

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**SENATE AMENDMENT 1,
TO SENATE SUBSTITUTE AMENDMENT 1,
TO 2005 SENATE BILL 459**

February 21, 2006 – Offered by Senators COWLES, PLALE, KEDZIE, WIRCH, KAPANKE and MILLER.

1 At the locations indicated, amend the substitute amendment as follows:

2 **1.** Page 2, line 14: after “construction” insert “and certain purchases”.

3 **2.** Page 2, line 18: before that line insert:

4 “**SECTION 1e.** 16.75 (1) (a) 1. of the statutes, as affected by 2005 Wisconsin Act
5 25, is amended to read:

6 16.75 (1) (a) 1. All orders awarded or contracts made by the department for all
7 materials, supplies, equipment, and contractual services to be provided to any
8 agency, except as otherwise provided in par. (c) and subs. (2), (2g), (2m), (3m), (3t),
9 (6), (7), (8), (9), (10e), and (10m) and ss. 16.73 (4) (a), 16.751, 16.754, 50.05 (7) (f),
10 153.05 (2m) (a), 287.15 (7), and 301.265, shall be awarded to the lowest responsible
11 bidder, taking into consideration life cycle cost estimates under sub. (1m), when
12 appropriate, the location of the agency, the quantities of the articles to be supplied,

1 their conformity with the specifications, and the purposes for which they are
2 required and the date of delivery.

3 **SECTION 1m.** 16.75 (10e) of the statutes is created to read:

4 16.75 (10e) (a) In this subsection, “energy consuming equipment” means any
5 equipment that is designed for heating, ventilation, air conditioning, water heating
6 or cooling, lighting, refrigeration, or any other function, and that consumes energy.

7 (b) The department, any other designated purchasing agent under s. 16.71 (1),
8 any agency making purchases under s. 16.74, and any authority may not purchase
9 energy consuming equipment unless the specifications for the equipment meet the
10 applicable standards for the equipment established under s. 16.855 (10s) (a). If there
11 is no standard under s. 16.855 (10s) (a) applicable to the type of energy consuming
12 equipment being purchased, or if the energy consuming equipment meeting that
13 standard is not reasonably available, the department, purchasing agent, agency, or
14 authority shall ensure that the energy consuming equipment that is purchased
15 maximizes energy efficiency to the extent technically and economically feasible. The
16 department, purchasing agent, agency, or authority shall not determine that energy
17 consuming equipment that meets the applicable standard under s. 16.855 (10s) (a)
18 either is not reasonably available on the basis of cost alone or is not cost-effective
19 unless the difference in the cost of the purchase and installation of the equipment
20 that meets the standard and the equipment that would otherwise be installed is
21 greater than the difference in the cost of operating the equipment that meets the
22 standard and the equipment that would otherwise be installed over the anticipated
23 life of the equipment.”.

24 **3.** Page 2, line 18: delete “**SECTION 1**” and substitute “**SECTION 1s**”.

- 1 **4.** Page 6, line 2: after “revenues.” insert “The department of administration
2 shall consider in its plan the means of financing allowed under s. 16.858.”.
- 3 **5.** Page 10, line 6: delete lines 6 to 14 and substitute:
4 “16.957 **(4)** (c) 3. ‘Limitation on ~~electric bill increases~~ low-income assistance
5 fees.’ For the period beginning on October 29, 1999, and ending on June 30, 2008,
6 the total increase in a customer’s electric bills that is based on the requirement to pay
7 public benefits fees, including any increase resulting from an electric utility’s
8 compliance with this section, In any month, the low-income assistance fee may not
9 exceed 3% of the total of every other charge for which the customer is billed for that
10 period month or \$750 per month, whichever is less.”.
- 11 **6.** Page 11, line 3: delete lines 3 to 11 and substitute “~~on June 30, 2008, the~~
12 ~~total increase in a customer’s or member’s electric bills that is based on the~~
13 ~~requirement to pay public benefits fees, including any increase resulting from a~~
14 ~~retail electric cooperative’s or municipal utility’s compliance with this section, in any~~
15 ~~month, the low-income assistance fee~~ may not exceed 3% 1.5 percent of the total of
16 every other charge for which the member or customer is billed for that period month
17 or ~~\$750 per month~~ \$375, whichever is less.”.
- 18 **7.** Page 11, line 14: delete “annually,”.
- 19 **8.** Page 11, line 15: delete “an amount equal to”.
- 20 **9.** Page 11, line 16: delete “in that year”.
- 21 **10.** Page 19, line 2: delete “196.025 (1) (a)” and substitute “196.025 (1) (ar)”.
- 22 **11.** Page 19, line 4: delete “196.025 (1) (a)” and substitute “196.025 (1) (ar)”.
- 23 **12.** Page 19, line 8: after that line insert:

1 “**SECTION 61m.** 196.025 (1) (ag) of the statutes is created to read:

2 196.025 (1) (ag) *Definitions.* In this subsection:

3 1. “Renewable resource” has the meaning given in s. 196.374 (1) (j).

4 2. “Wholesale supplier” has the meaning given in s. 16.957 (1) (w).”.

5 **13.** Page 19, line 10: delete the material beginning with that line and ending
6 with page 20, line 16, and substitute:

7 “196.025 (1) (b) *Energy conservation and efficiency.* 1. In a proceeding in which
8 an investor–owned electric public utility is a party, the commission shall not order
9 or otherwise impose energy conservation or efficiency requirements on the
10 investor–owned electric public utility if the commission has fulfilled all of its duties
11 under s. 196.374 and the investor–owned electric public utility has satisfied the
12 requirements of s. 196.374 for the year prior to commencement of the proceeding, as
13 specified in s. 196.374 (8).

14 2. In a proceeding in which a wholesale supplier is a party, the commission shall
15 not order or otherwise impose energy conservation or efficiency requirements on the
16 wholesale supplier if the commission has fulfilled all of its duties under s. 196.374
17 and the wholesale supplier’s members are in the aggregate substantially in
18 compliance with s. 196.374 (7).

19 (c) *Renewable resources.* 1. In a proceeding in which an investor–owned electric
20 public utility is a party, the commission shall not order or otherwise impose any
21 renewable resource requirements on the investor–owned electric public utility if the
22 commission has fulfilled all of its duties under s. 196.378 and the commission has
23 informed the utility under s. 196.378 (2) (c) that, with respect to the most recent

1 report submitted under s. 196.378 (2) (c), the utility is in compliance with the
2 requirements of s. 196.378 (2) (a) 2.

3 2. In a proceeding in which a wholesale supplier is a party, the commission shall
4 not order or otherwise impose any renewable resource requirements on the
5 wholesale supplier if the commission has fulfilled all of its duties under s. 196.378
6 and the wholesale supplier's members are in the aggregate substantially in
7 compliance with s. 196.378 (2).

8 (d) *Transmission facilities.* In a proceeding regarding a request by a public
9 utility or wholesale supplier to acquire, construct, install, or operate an electric
10 transmission facility or associated equipment, the commission shall not order or
11 otherwise impose requirements on the public utility or wholesale supplier.”

12 **14.** Page 21, line 20: after that line insert:

13 “(em) “Large energy customer” means a customer of an energy utility that owns
14 or operates a facility in the energy utility’s service area that has an energy demand
15 of at least 1,000 kilowatts of electricity per month or of at least 10,000 decatherms
16 of natural gas per month and that, in a month, is billed at least \$60,000 for electric
17 service, natural gas service, or both, for all of the facilities of the customer within the
18 energy utility’s service territory.”

19 **15.** Page 23, line 1: delete lines 1 to 4.

20 **16.** Page 23, line 11: before “administer” insert “develop and”.

21 **17.** Page 23, line 17: delete “(a)” and substitute “(ar)”.

22 **18.** Page 24, line 6: after “customers.” insert “A local unit of government that
23 receives assistance under this subd. 2. b. shall apply all costs savings realized from
24 the assistance to reducing the property tax levy.”

1 **19.** Page 24, line 10: after that line insert:

2 “d. Initiatives for research and development regarding the environmental and
3 economic impacts of energy use in this state.”.

4 **20.** Page 24, line 18: delete “to large” and substitute “to, as determined by the
5 commission, large”.

6 **21.** Page 25, line 5: delete “shall” and substitute “may”.

7 **22.** Page 25, line 7: delete “or” and substitute “at any time and shall request
8 the modification or discontinuation of”.

9 **23.** Page 25, line 8: delete lines 8 to 14 and substitute:

10 “(c) *Large energy customer programs.* A customer of an energy utility may, with
11 commission approval, administer and fund its own energy efficiency programs if the
12 customer satisfies the definition of a large energy customer for any month in the 12
13 months preceding the date of the customer’s request for approval. A customer may
14 request commission approval at any time. A customer that funds a program under
15 this paragraph may deduct the amount of the funding from the amount the energy
16 utility may collect from the customer under sub. (5) (b). If the customer deducts the
17 amount of the funding from the amount the energy utility may collect from the
18 customer under sub. (5) (b), the energy utility shall credit the amount of the funding
19 against the amount the energy utility is required to spend under sub. (3) (b) 2.”.

20 **24.** Page 28, line 11: delete lines 11 and 12.

21 **25.** Page 28, line 17: after “(b) 1.” insert “The person or persons with whom
22 the energy utilities contract for program administration under sub. (2) (a) 1. shall

1 pay the costs of the audits from the amounts paid under the contracts under sub. (2)
2 (a) 1.”.

3 **26.** Page 29, line 19: delete “and (b) 1. and 2.”.

4 **27.** Page 30, line 13: delete that line and substitute:

5 “(5) COST RECOVERY. (a) *Rate-making orders.* The commission shall ensure”.

6 **28.** Page 30, line 15: delete “is required to spend under sub. (3) (b) 2.” and
7 substitute “spends for programs under sub. (2) (a) 1.”.

8 **29.** Page 30, line 16: delete the material beginning with that line and ending
9 with page 31, line 3, and substitute:

10 “(b) *Large energy customers.* 1. Except as provided in sub. (2) (c) and par. (bm)
11 2., if the commission has determined that a customer of an energy utility is a large
12 energy customer under 2005 Wisconsin Act (this act), section 102 (8) (b), then,
13 each month, the energy utility shall collect from the customer, for recovery of
14 amounts under par. (a), the amount determined by the commission under 2005
15 Wisconsin Act (this act), section 102 (8) (c).

16 2. A customer of an energy utility that the commission has not determined is
17 a large energy customer under 2005 Wisconsin Act (this act), section 102 (8) (b),
18 may petition the commission for a determination that the customer is a large energy
19 customer. The commission shall determine that a petitioner is a large energy
20 customer if the petitioner satisfies the definition of large energy customer for any
21 month in the 12 months preceding the date of the petition. If the commission makes
22 such a determination, the commission shall also determine the amount that the
23 energy utility may collect from the customer each month for recovery of the amounts
24 under par. (a). The commission shall determine an amount that ensures that the

1 amount collected from the customer is similar to the amounts collected from other
2 customers that have a similar level of energy costs as the customer. Except as
3 provided in sub. (2) (c) and par. (bm) 2., each month, the energy utility shall collect
4 from the customer, for recovery of amounts under par. (a), the amount determined
5 by the commission under this subdivision.

6 (bm) *Allocation proposal.* 1. The commission shall commence a proceeding for
7 for creating a proposal for allocating within different classes of customers an
8 equitable distribution of the recovery of the amounts under par. (a) by all energy
9 utilities. The purpose of the allocation is to ensure that customers of an energy utility
10 within a particular class are treated equitably with respect to customers of other
11 energy utilities within the same class. No later than December 31, 2008, the
12 commission shall submit the proposal to the governor and chief clerk of each house
13 of the legislature for distribution to the appropriate standing committees of the
14 legislature under s. 13.172 (3).

15 2. If, by July 1, 2009, legislation based on the proposal under subd. 1. has not
16 been enacted, the commission shall, beginning on July 1, 2009, annually increase the
17 amount that an energy utility may recover from a large energy customer each month
18 under par. (b) only by a percentage that is the lesser of the following:

19 a. The percentage increase in the energy utility’s operating revenues during the
20 preceding year.

21 b. The percentage increase in the consumer price index for all urban
22 consumers, U.S. city average, as determined by the U.S. department of labor, during
23 the preceding year.”.

24 **30.** Page 31, line 4: after “(c)” insert “*Accounting.*”.

1 **31.** Page 31, line 7: delete “(d) The commission” and substitute “(d) *Equitable*
2 *contributions*. Subject to pars. (b) and (bm) 2., the commission”.

3 **32.** Page 31, line 9: delete the material beginning with “The” and ending with
4 “amounts.” on line 12.

5 **33.** Page 31, line 13: delete that line and substitute:

6 “(5m) BENEFIT AND GRANT OPPORTUNITIES. (a) The commission shall ensure that,
7 on an annual basis, each customer class of”.

8 **34.** Page 31, line 16: delete “par. (a).” and substitute “sub. (5) (a). Biennially,
9 the commission shall submit a report to the governor, and the chief clerk of each
10 house of the legislature for distribution to the legislature under s. 13.172 (2), that
11 summarizes the total amount recovered from each customer class and the total
12 amount of grants made to, and benefits received by, each customer class.”.

13 **35.** Page 31, line 17: delete “(e)” and substitute “(b)”.

14 **36.** Page 32, line 10: delete lines 10 to 17 and substitute:

15 “2. Notwithstanding subd. 1., in any month, the monthly fee under subd. 1. may
16 not exceed 1.5 percent of the total of every other charge for which the member or
17 customer is billed for that month or \$375 per month, whichever is less.”.

18 **37.** Page 32, line 20: delete the material beginning with “A commitment to”
19 and ending with “sub. (3) (f) 4.” on line 22 and substitute “The purpose of the
20 programs under this paragraph shall be to help achieve environmentally sound and
21 adequate energy supplies at reasonable cost.”.

22 **38.** Page 35, line 13: delete “for” and substitute “in”.

23 **39.** Page 35, line 14: delete “for” and substitute “in”.

1 **40.** Page 38, line 6: delete lines 6 to 12 and substitute:

2 “196.378 (2) (b) 1m. The amount of electricity derived from hydroelectric
3 renewable resources that an electric provider may count toward satisfying the
4 requirements of par. (a) 2. shall be all electricity provided by hydroelectric power that
5 the electric provider purchased in the reporting year plus all of the following:

6 a. The average of the amounts of hydroelectric power generated by facilities
7 owned or operated by the electric provider for 2001, 2002, and 2003, adjusted to
8 reflect the permanent removal from service of any of those facilities and adjusted to
9 reflect any capacity increases from improvements made to those facilities on or after
10 January 1, 2004.

11 b. The amount of hydroelectric power generated in the reporting year by
12 facilities owned or operated by the electric provider that are initially placed in service
13 on or after January 1, 2004.”.

14 **41.** Page 38, line 14: delete lines 14 to 18 and substitute:

15 “**SECTION 87m.** 196.378 (2) (b) 4. of the statutes is repealed and recreated to
16 read:

17 196.378 (2) (b) 4. A wholesale supplier may sell credits that it creates and may
18 aggregate and allocate the credits that it creates among its members or customers.
19 A member or customer may sell credits or portions of a credit allocated to the member
20 or customer by the wholesale supplier.”.

21 **42.** Page 43, line 1: before “The” insert “(a)”.

22 **43.** Page 43, line 6: delete “subsection” and substitute “paragraph”.

23 **44.** Page 43, line 8: after that line insert:

1 “(b) An electric utility may, with commission approval, administer or fund a
2 program that increases the electric utility’s renewable energy percentage beyond
3 that required under sub. (2) (a) 2. The commission may not order an electric utility
4 to administer or fund a program under this paragraph.”.

5 **45.** Page 46, line 14: delete lines 14 to 21.

6 **46.** Page 47, line 1: delete lines 1 to 9 and substitute:

7 “(b) No later than July 1, 2008, the public service commission shall submit a
8 report to the governor and chief clerk of each house of the legislature for distribution
9 to the legislature under section 13.172 (2) of the statutes that consists of the
10 commission’s recommendations on whether any component of an energy utility’s
11 revenue requirements should be itemized on ratepayer bills.”.

12 **47.** Page 47, line 9: after that line insert:

13 “(8) LARGE ENERGY CUSTOMERS.

14 (a) In this subsection:

15 1. “Commission” means the public service commission.

16 2. “Energy utility” has the meaning given in section 196.374 (1) (e) of the
17 statutes, as created by this act.

18 3. “Large energy customer” has the meaning given in section 196.374 (1) (em)
19 of the statutes, as created by this act.

20 4. “Ordered program” has the meaning given under section 196.374 (1) (i) of the
21 statutes, as created by this act.

22 (b) No later than July 1, 2007, the commission shall determine the customers
23 of energy utilities that, for any month during the 12 months preceding the date of the
24 commission’s determination, satisfy the definition of large energy customer.

