



WISCONSIN LEGISLATIVE COUNCIL ACT MEMO

2003 Wisconsin Act 152
[2003 Assembly Bill 843]

Financing of Environmental Improvements to Energy Utility Facilities

2003 Acts: www.legis.state.wi.us/2003/data/acts/

Act Memos: www.legis.state.wi.us/lc/act_memo/act_memo.htm

The bill creates a new financing mechanism referred to as “environmental trust financing,” to finance the cost of certain investments intended to reduce environmental pollution from existing energy utility facilities. As proposed by the bill, bonds would be issued under the authority of an order of the Public Service Commission (PSC) to be repaid from revenues collected from fees placed on the bills of the utility’s customers. The PSC order would also create a property right to the collection of the fees from the utility’s customers and to the collected revenues. The utility would transfer this right to a third party, which would collect the fees for repayment of the debt. The debt associated with the bonds would not be shown on the books of the utility.

The bill establishes a process by which a utility may request the authority to utilize environmental trust financing and by which the PSC may review and approve such a request. Much of the bill, however, consists of provisions regarding the treatment of the bonds and the revenue stream to repay them. These provisions are designed to give investors sufficient confidence in the repayment of the bonds and associated financing costs to ensure that the bonds receive high ratings and, thus, are issued at low rates of interest.

Additional Information

For a more detailed description of Act 152, see Information Memorandum 2004-1, *Financing of Environmental Improvements to Energy Utility Facilities (2003 Wisconsin Act 152)* (March 24, 2004), available at http://www.legis.state.wi.us/lc/jlc04/im_2004_1.pdf

Effective Date: Act 152 takes effect March 30, 2004.

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This memo provides a brief description of the Act. For more detailed information, consult the text of the law and related legislative documents.