



## Legislative Update

The Wisconsin Legislature concluded its last floor period of the year in mid-November and is not expected to be back in session until late January 2018. The Legislature usually concludes its work during the second year of the biennium in early spring – March or April, and adjourns so that members can begin campaigning for the fall elections.

So far this session, the Legislature has not taken action on any truly high-profile energy or utility issues. While some significant bills have been introduced, they have seen little activity to date. Other less significant matters, that address various minor utility issues, have been addressed by the legislature and signed into law by the Governor. These circumstances reflect a continuation of the positive political climate that utilities have enjoyed in Wisconsin in recent years – no major legislative threats or challenging new regulations to address.

Outlined below are some of the key issues on which WUI is engaged or is monitoring.

### **SOLAR ENERGY PETITION**

The Wisconsin Solar Energy Industries Association petitioned the PSC for a declaratory ruling allowing its members to install electric generating equipment at the residences or facilities of customers, and sell the member generated energy to those customers, outside of the existing utility regulatory framework. The utilities oppose this petition, because of consumer protection and potential subsidy issues. The Commission is currently considering whether to take up the petition and open a docket on the matter.

### **REGULATORY REFORM – AB 42/SB 15**

Makes various changes to the process of adopting and enforcing administrative rules. One provision would require the Legislature to vote to approve any rule that has compliance costs that exceed \$10 million. Utilities were concerned that this provision could potentially interfere with implementation of required EPA regulations. The bill was amended to exempt federal air rules from this requirement. It subsequently passed both houses and was signed into law by the Governor as WI Act 57.

### **LEASED GENERATION CONTRACTS – AB 198/SB 115**

Allows the Public Service Commission (PSC) to unilaterally modify or terminate existing leased generation contracts entered into by public utilities and their affiliates. Leased generation is used as a means of helping finance major generation infrastructure improvements. Modifying or terminating existing leased generation contracts could be financially detrimental to both utilities and utility shareholders. Utilities and WUI strongly oppose these bills. They were the main subject of lobbying at the WUI Legislative Day in 2017. So far, the legislature has taken no action on either bill.

### **SHAREHOLDER MEETINGS – AB 357/SB 285**

Authorizes the board of directors of a corporation to allow shareholders of the corporation to participate in shareholder meetings by remote communication, without being physically present. Utilities supported these bills. SB 285 passed both houses and was signed into law as WI Act 79.

### **BIENNIAL PSC REVISIONS – AB 532/SB 475**

Transfers various duties and powers from the Department of Administration (DOA) to the Public Service Commission (PSC). Makes changes to Wisconsin energy policy and laws governing public utilities. The utilities support these bills. AB 532 passed the Assembly and has been referred to the Senate Utilities Committee.

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**WUI EXECUTIVE DIRECTOR**

**James Buchen**  
10 East Doty St, Suite 500  
Madison, WI 53703-3397  
P: 608 663.5813

**WISCONSIN STATE BUDGET – AB 64/SB 30**

- **Stray Voltage** – As introduced, the Budget Bill would have eliminated the stray voltage program administered jointly by the Public Service Commission (PSC) and the Department of Agriculture, Trade and Consumer Protection (DATCP). Utilities were concerned that elimination of this program would leave farmers with stray voltage issues, few productive options when seeking relief. As a result, the legislature restored one position at the PSC and one veterinarian at DATCP along with appropriate support, to continue the program. These changes remained in the bill as signed by the Governor.
- **Intervenor Compensation Funding** – As introduced, the Budget Bill increased funding for the intervenor compensation program that helps support consumer groups that participate in rate cases before the Public Service Commission (PSC). Utilities believe that robust intervenor participation in rate cases, helps develop a more complete and balanced record at the Commission, which mitigates against judicial review of Commission decisions. The Legislature approved the Governor’s request for an increase of \$742,600 in intervenor compensation over the biennium, which remained in the bill as signed by the Governor.

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Wisconsin Utility Investors  
10 East Doty Street | Suite 500  
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