

# Energy Efficiency and Electric Infrastructure in the State of Wisconsin

The simple choice for energy efficiency.



In any given state, there are a range of stakeholders well-positioned to contribute to the design and delivery of effective energy efficiency programming. This factsheet provides an overview of relevant entities in the state of Wisconsin, along with highlights of state policies and practices related to energy efficiency. The entity types described and highlighted below are typically involved in electricity and/or energy efficiency related matters in states. Other important stakeholders such as trade associations, industry, and local businesses are not included as they vary significantly from state to state.

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## Electric Market Overview

### Electric Utilities

Privately- and publicly-owned electric utilities generate, transmit, distribute, and/or sell electricity primarily for use by the public. These include investor-owned electric utilities, municipal and state utilities, Federal electric utilities, and rural electric cooperatives.<sup>1</sup> The following summarizes electric utilities in Wisconsin by type:

- *Investor-Owned Electric Utilities:*  
Principal IOUs:  
Wisconsin Power & Light, d/b/a Alliant Energy: [www.alliantenergy.com](http://www.alliantenergy.com)  
Madison Gas & Electric: <https://www.mge.com/>  
Northern States Power, d/b/a Xcel Energy: [www.xcelenergy.com](http://www.xcelenergy.com)  
Wisconsin Electric Power, d/b/a We Energies: <http://www.we-energies.com/>  
Wisconsin Public Service Corp: <http://www.wisconsinpublicservice.com/>  
Smaller IOUs:  
Consolidated Water Power: <http://www.cwpc.com>  
Dahlberg Light & Power: <http://dahlberglightandpower.com>  
Northcentral Power Company: Does not maintain a website  
Northwestern Wisconsin Elec : <http://www.nweco.com/>  
Superior Water and Light: <http://www.swlp.com/>  
Wisconsin River Power Company: <http://www.wisconsinriverpower.com/>
- *Municipally-Owned/Publicly Owned Utilities:* Wisconsin has 51 municipally-or publicly-owned electric systems in the state:
- *Member-Owned (Electric Cooperative):* Wisconsin has 22 electric cooperatives.
- *Other:* 1 Municipal Marketing Authority; 1 Retail Power Marketer; 1 Wholesale Power Marketer<sup>2</sup>

*Electric utility service areas (as available):*

<https://psc.wi.gov/utilityinfo/maps/documents/largeElectricMap.pdf>

### Status of Electric Industry Restructuring

Vertically integrated utilities are responsible for generation, transmission and distribution of power to customers. In the 1990's, many states began to unbundle the electricity supply and distribution functions of investor-owned utilities on the theory that only the wires (the

<sup>1</sup> Source: EIA

<sup>2</sup> Sources: EIA 2013 Form EIA-861 Utility Data (<http://www.eia.gov/electricity/data/eia861/>) and Wisconsin Public Service Commission (<http://psc.wi.gov>)

fixed network system) constituted a natural monopoly, while the generation of power did not. In states that have undergone restructuring, individual retail customers can choose their supplier but still receive delivery over the power lines of the local utility.<sup>3</sup>

- Wisconsin does not have a restructured electric industry. <http://www.eia.gov/electricity/policies/restructuring/wisconsin.html>

### **Regional Transmission Organization (RTO)/Independent System Operator(ISO)**

About 60% of U.S. electric power supply is managed by RTOs or ISOs: independent, membership-based organizations that ensure reliability and usually manage the regional electric supply market for wholesale electric power. In the rest of the country, electricity systems are operated by individual utilities or utility holding companies. RTOs/ISOs engage in long-term planning that involves identifying effective, cost-efficient ways to ensure grid reliability and system-wide benefits. Coordination and cooperation between utilities, state PUCs and RTOs/ISOs is often required to advance energy efficiency goals.<sup>4</sup>

- Wisconsin is part of the Mid-Continent Independent System Operator (MISO): <https://www.misoenergy.org>

## **Utility Oversight and Planning**

### **Utility Oversight**

Public utility commissions (PUCs) oversee goals, investments, and ratemaking for investor-owned electric utilities. Most of this oversight is conducted via specific regulatory proceedings. Municipally-owned utilities are governed by a local city council or an elected commission, and member-owned/cooperative utilities are governed by a board elected by members. In a few states, PUCs have oversight over some aspects of municipally and member-owned utility performance such as energy efficiency resource standards.<sup>5</sup>

- The Public Service Commission of Wisconsin (PSC) is an independent regulatory agency dedicated to serving the public interest. The agency is responsible for the regulation of Wisconsin public utilities, including those that are municipally-owned. <http://psc.wi.gov/aboutus/organization/PSCoverview.htm>

### **Integrated Resource/Procurement Planning**

Integrated resource plans (IRPs) are utility plans for meeting forecasted annual peak and energy demand through a portfolio of supply-side and demand-side resources over a specified future period. As of early 2015, integrated resource planning is required or present in more than 30 states, including most vertically integrated/non restructured states. In states that are restructured, regulated distribution only utilities may be required to develop procurement plans to service customers that do not choose a competitive retail supplier. Energy efficiency is considered as a demand-side resource but the degree to which it is included in resource/procurement planning is influenced by other factors including policies such as energy efficiency resource standards or requirements that all cost effective energy efficiency be considered.<sup>6</sup>

- Wisconsin refers to its IRPs as Strategic Energy Assessments. Under the 2005 Wisconsin Act 141, oversight of the statewide energy efficiency and renewable resources program called Focus on Energy transferred to the Public Service Commission of Wisconsin. Act 141 requires investor-owned electric and natural-gas utilities to spend 1.2 percent of their annual gross operating revenues on energy efficiency and renewable resource programs. <http://database.aceee.org/state/wisconsin#sthash.vJmjrpfq.dpuf>
- Focus on Energy's most recent Strategic Energy Assessment 2014: [http://psc.wi.gov/apps35/ERF\\_view/viewdoc.aspx?docid=176432](http://psc.wi.gov/apps35/ERF_view/viewdoc.aspx?docid=176432)

### **Statewide Planning Process**

States sometimes undertake executive or legislatively driven statewide energy planning processes. These plans may be completely independent of utilities or may explicitly engage utilities.

- Wisconsin does not currently have a state energy plan.

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<sup>3</sup> Source: The Regulatory Assistance Project (RAP)

<sup>4</sup> Source: EPA Energy and Environment [Guide to Action](#)

<sup>5</sup> Sources: EPA Energy and Environment [Guide to Action](#) and Regulatory Assistance Project

<sup>6</sup> Source: EPA Energy and Environment [Guide to Action](#)

## Energy Efficiency Potential Studies

Energy efficiency potential studies determine the amount of technical, economic, and achievable potential for energy efficiency in a region, state, or utility service territory. Energy efficiency potential studies may be undertaken by state agencies, energy efficiency advocacy organizations, or utilities as part of or to inform compliance with a regulatory requirement.

- Energy Efficiency and Customer-Sited Renewable Resource Potential in Wisconsin For the years 2012 and 2018: <http://www.ecw.org/sites/default/files/244-1.pdf>
- Energy Efficiency Resource Potential in the Midwest 2009: <http://www.midwesterngovernors.org/Energy/EEResourcePotential.pdf>

## Energy Efficiency Policies/Activities

### Statewide Clean Energy Policy/Energy Efficiency Energy Resource Standard(s)

Energy efficiency resource standards (EERSs) require obligated parties—usually regulated retail distributors of electricity—to meet a specific portion of their electricity demand through energy efficiency. As of March 2015, 27 states have some type of energy efficiency requirement or goal.<sup>7</sup>

- Wisconsin has a mandatory energy efficiency resource standard, which imposes a requirement that both electric and natural gas utilities invest 1.2% of gross utility revenues in to energy efficiency.

### Current Utility-Administered Energy Efficiency Programs

Energy efficiency is regarded as an important utility resource with co-benefits that include reducing air pollution, saving customers on utility bills, and creating local jobs. While the majority of large-scale energy efficiency programs are funded by utility ratepayers, program administration may be by the utility, the state, an independently awarded program administrator or a combination of entities. Below are available links related to ratepayer-funded energy efficiency programs offered in the state<sup>8</sup>:

- *Program Administrator:* Focus On Energy represents 107 electric utilities: <https://www.focusonenergy.com/about/participating-utilities>, <https://www.focusonenergy.com/residential> and <https://www.focusonenergy.com/business/custom-projects>  
Most recent program filing: Focus on Energy does not publicly post program plans in advance or during the program year. Only evaluation reports of previous years are published. See these links for the 2014 evaluation reports: <https://focusonenergy.com/sites/default/files/Evaluation%20Report%202014%20-%20Volume%20I.pdf> (Volume 1); <https://focusonenergy.com/sites/default/files/Evaluation%20Report%202014%20-%20Volume%20II.pdf> (Volume 2)  
ENERGY STAR Partner since: 2001

## Other Key Stakeholders

### State Air Office:

- Wisconsin Department of Natural Resources, Air Quality: <http://dnr.wi.gov/topic/airquality/>

### State Energy Office:

- Wisconsin State Energy Office: <http://www.stateenergyoffice.wi.gov/>

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<sup>7</sup> Ibid.

<sup>8</sup> For other energy efficiency program offerings in the state, visit: <http://programs.dsireusa.org/system/program?state=WI>

### Consumer Advocate(s)

Most states also have one or more consumer advocacy organizations. Consumer Advocates are often concerned with maintaining low rates and ensuring equitable treatment of all customer classes.<sup>9</sup>

- Citizens Utility Board of Wisconsin: <http://www.wiscub.org/>

### Others Public Interest Groups

Groups representing environmental and other public interests are often involved in providing public input or technical expertise during regulatory proceedings or stakeholder processes. The following energy efficiency organizations/nonprofits are active in the state or region:

- Midwest Energy Efficiency Alliance (MEEA): <http://www.mwalliance.org>
- Sierra Club Wisconsin: <http://www.sierraclub.org/wisconsin>
- WISPIRG: <http://www.wispirg.org/>

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\* Revised December 21, 2015. To alert the U.S. EPA of substantial policy changes or program updates, please contact [eeaccountmanager@icfi.com](mailto:eeaccountmanager@icfi.com)

<sup>9</sup> Source: [EPA Energy and Environment Guide to Action](#)