

November 9, 2023

The following are highlights of issues which WUA is either monitoring or on which WUA is engaged during the 2023-2024 Legislative Session. The latest actions are noted in italics:

[SB 22 / AB 20](#) Electricity Tax Exemption (Jacque, Murphy) - Introduced January 30th, this bill extends the sales and use tax exemption for electricity and natural gas sold for residential use to year-round. *AB 20* was referred to Assembly Committee on Ways and Means. WUA supports these bills. *SB 22* was referred to Senate Utilities & Technology which held a public hearing May 16th. WUA registered in favor. *No action since the previous report.*

[SB 308 / AB 302](#)- Data Centers (Quinn, Zimmerman) - This bill creates a sales and use tax exemption for equipment or software used by a qualified data center for the processing, storage, retrieval, or communication of data. WUA supports this bill which was introduced May 24th and referred to the Committee on Universities and Revenue. Ways and Means Committee held a public hearing June 8th. WUA registered in favor. Executive session was held June 15 on AB 302 by Ways and Means and the Committee recommended passage, 10-0 with 2 absent. The Joint Survey Committee on Tax Exemptions recommended on June 20th that the tax exemption provisions are good public policy, 9-0. AB 302 passed the Assembly, as amended by [ASA 1](#), (at the request of DOR and WEDC, avoids inconsistencies by consolidating items referenced as exempt; provide a claw back; clarify the certification process; and facilitate data sharing between WEDC-DOR) on a voice vote June 21st. It was referred to the Senate Committee on Universities and Revenue June 23rd where it currently resides. *Ultimately, the provisions of this legislation were included in the final version of the budget and signed into law as [WI Act 19](#).*

[SB 49 / AB 45](#), Energy Freedom, a.k.a. “ban the ban” (Bradley, Knodl) - This bill prohibits local governments from restricting utility service based on the type of energy to be provided and from discriminating against a utility or LP provider based on the source of the service. It does not affect their authority to either 1) manage or operate a public utility; or 2) take steps designed to reduce greenhouse gas emissions. WUA Supports this bill. SB 49 was introduced February 14th and referred to the Senate Utilities and Technology Committee, [SA 1](#) (adds co-ops) was offered. Companion bill AB 45 was introduced February 20, 2023 and referred to the Assembly Energy & Utilities Committee and [AA 1](#) (adds co-ops) was offered. SSA 1 (incorporates SA 1, adds state agencies) was introduced May 15th and a public hearing was held May 16 on both bills. WUA jointly testified in favor of both bills with AGA. SB 49 was voted out of committee, 3-2 (Pfaff, Smith) as amended by [SSA 1](#), also 3-2 (Pfaff, Smith) on May 25th. [AB 45](#) was voted out of committee June 7 on a 11-3 vote, as amended by [ASA 1 \(Adds state agencies\)](#). (Subeck, Andraca, Moore Omokunde voted against adoption of ASA1 and passage, as amended). SB 49 passed the Senate on a 22-11 [party line vote](#) on June 7. In the Assembly, SB 49 was substituted for AB 45 and concurred in on June 21st. The Governor vetoed this bill on August 4th, 2023. The Senate overrode the veto on a 22-11

party line vote September 14th and the bill resides in the Assembly. *It was referred to the Assembly Rules Committee November 2nd.*

[AB 46](#) / [SB 47](#), Solar Siting (Plumer, Ballweg) – The bill requires notice to political subdivisions and landowners regarding proposed large solar energy facilities, requirements for applying for CPCNs and joint solar development agreements. WUA generally opposes this bill. AB 46 was introduced February 20th, 2023 and referred to the Assembly Energy & Utilities Committee. SB 47 was introduced February 14th and referred to the Senate Utilities & Technology Committee. *No action has been taken since the last report.*

[SB 67](#) / [AB 73](#), Utility Aid Payments (Ballweg, Oldenburg) – The bill defines “decommissioned” in statute by codifying the Department of Revenue’s current practice for decommissioned power plants and creates a fix so that communities that host a plant with multiple power generating units do not experience an immediate drop in aid because one of the power generating units closes before the other. WUA supports this bill. SB 67 was introduced February 15th, 2023 and referred to the Senate Utilities & Technology Committee. AB 73 was introduced February 28th, 2023 and referred to the Assembly Energy & Utilities Committee. Public hearings on both bills were held May 16th. WUA registered in favor of both bills. No action has been taken on AB 73 since the hearing May 16th. SB 67 passed the Committee on a 5-0 vote May 25th and was referred to Joint Finance on August 9th. *Executive Action was taken on AB 73 on October 10th and the Committee recommended passage, 16-0.*

[SB 355](#) / [AB 354](#), Utility Warning lights (Tomczyk, Callahan) – The bill allows utility vehicles to utilize amber or green lights when marking their vehicles. Under the bill, vehicles utilizing these lights must be restoring utility services or repairing damaged infrastructure. WUA supports these bills. They were introduced July 13th, 2023 and referred to the Senate Transportation and Local Government Committee and Assembly Transportation Committee, respectively. A public hearing was held on September 27th on SB 355. On October 10th the Committee recommended passage of SB 355, 5-0. A hearing was also held on AB 354 on October 10th. SB 355 passed the Senate on a voice vote October 17th and was referred to Assembly Rules Committee where it currently resides. *The Assembly Transportation Committee recommended passage of AB 354 on October 24th, 13-0.*

[SB 270](#) / [AB 275](#), [Memo](#), Utility Relocations (Tomczyk, Steffen) The bills create a process for a highway improvement contractor to seek damages from WisDOT for project delays that are the result of an uncompleted relocation or adjustment of a utility facility located in the right-of-way of the highway. SB 270 and AB 275 were introduced on May 8th and 17th, respectively and received public hearings May 23rd. WUA has no position on these bills. [AA 1](#) and [SA 1](#) (extends repayment period to DOT from 60 to 90 days, etc.) are both pending. [SA 2](#) and companion [AA 2](#) were offered August 22nd. [SB-270](#) SA 2 adopted, 5-0. Passage as amended recommended, 5-0 on September 8th. *SB 270 passed the Senate, as amended by SA 2, on September 14 on a voice vote and was concurred in by the Assembly the same day. It awaits the Governor’s signature.*

[SB 151](#) / [AB 165](#), [Memo Wind Energy Regulation \(Jacque, Bodden\)](#) This bill allows a political subdivision to impose a restriction on a wind energy system that is more restrictive than PSC rules, under certain conditions. WUA has not taken a position. SB 151 was introduced April 3rd 2023 and referred to the Utilities and Technology Committee. AB 165 was introduced April 10th, 2023. It was referred to the Energy & Utilities Committee. *No action has been taken on either bill since the last report.*

[AB 105](#) / [SB 109](#), [ATV's on Highway \(Quinn, Green\)](#) Allows operation of an all-terrain vehicle or utility terrain vehicle owned by an electric cooperative on a highway. WUA has no position. Introduced March 14th and referred to Assembly Energy and Utilities. SB 109 was introduced March 1, 2023 and referred to Utilities and Technology Committee. [SA 1](#) is pending. Both [AA 1](#) and SA 1 include **contractors** of co-ops and municipal electric utilities. A public hearing was held on May 16th on AB 105. Executive action was taken on AB 105 June 6th. The amendment was approved unanimously and the bill was recommended for passage, as amended, 16-0. A public hearing was held on SB 109 on September 27th. The Assembly Committee recommended passage of AB 105, as amended, 16-0 on September 28th and the bill was referred to the Rules Committee where it currently resides. SB 109 was amended by [SA 1](#) on October 10th and the Committee recommended passage, as amended, 5-0 on the same day. *SB 109 passed the Senate October 17th on a voice vote and was concurred in by the Assembly the same day, 97-0. It awaits the Governor's signature.*

[SB 226](#) / [AB 258](#), [Memo Community Solar \(Stroebel, Krug\)](#) Authorizing [community solar](#) programs and granting rule-making authority. WUA opposes this bill. SB 226 was introduced April 14th and referred to Utilities and Technology Committee. AB 258 was introduced May 8th and referred to the Energy & Utilities Committee. *No action has been taken since the last report.*

[SB 481](#) / [AB 470](#), [Right of First Refusal "ROFR" \(Bradley, Peterson\)](#) This bill grants incumbent transmission providers the Right of First Refusal to construct, operate and maintain transmission lines in Wisconsin with oversight by the Public Service Commission. WUA supports this bill. SB 481 was introduced October 4th 2023 and referred to the Senate Committee on Utilities and Technology. A public hearing was held on SB 481 on October 9th and WUA testified in favor. A [public hearing](#) was also held on AB 470 on October 10th. WUA testified in favor. *On November 1, the Assembly Energy & Utilities Committee voted 12-4 to recommend AB 470 for passage.*

[LRB-2165 Memo Utility Disconnections](#) (Anderson, Jimmy) Prohibiting certain utility service disconnections for nonpayment. *This bill has not yet been introduced.*

"Utility Sunshine Package"

On Friday the 13th of October, Sen. Cowles circulated a series of bills for co-sponsorship, dubbed the "Utility Sunshine Package". They had a co-sponsorship deadline of October 24th at 5 PM. WUA opposes these bills which are **not yet introduced**. Below are links to the drafts and co-sponsorship memos followed by a brief summary of what they do:

[LRB-0574 Memo Rate Recovery](#) (Cowles, Rob) The amount certain public utilities may recover in rates relating to amounts assessed by the Public Service Commission. *Deadline: Tuesday, October 24, 5 pm*

[LRB-2725 Memo](#) **PSC Complaint Procedures** (Cowles, Rob) Procedures related to certain complaints filed with the Public Service Commission. *Deadline: Tuesday, October 24, 5 pm*

[LRB-0147 Memo](#) **PSC Website** (Cowles, Rob) The Public Service Commission's website and an annual report relating to its dockets. *Deadline: Tuesday, October 24, 5 pm*

[LRB-0142 Memo](#) **Rate Change Notice** (Cowles, Rob) Notice to public utility customers of potential and final rate changes. *Deadline: Tuesday, October 24, 5 pm*

[LRB-4441 Memo](#) **Trust Bonds** (Cowles, Rob) Use of environmental trust bonds to finance the costs of retiring electric generating facilities; integrated resource and reliability planning by electric utilities and cooperatives; closure of large electric generating facilities; and granting rule-making authority. *Deadline: Tuesday, October 24, 5 pm*

[LRB-0577 Memo](#) **PSC Orders** (Cowles, Rob) Amending certain orders and certificates issued by the Public Service Commission. *Deadline: Tuesday, October 24, 5 pm*

Sunshine Summary

Complaints LRB 2725

Lowers the threshold for a formal complaint from a minimum of 25 persons to 1; Allows complaints if a person is adversely affected by a power plant or transmission line, or by a continuous interruption of service; Requires the PSC to disclose all documents generated by a complaint; Prohibits the PSC from dismissing complaints unless the Commissioners vote for dismissal; Increases the notice prior to a hearing on the complaint from 10 days to 20 days; Authorizes the PSC to order any appropriate relief as a result of a substantiated complaint, including a lower bill rate, a bill credit, or other, which may not be recovered through rates; Requires the PSC to provide information on where to file a complaint, how to structure a complaint.

Rate Recovery LRB 0574

LRB 0574/1 restricts the amount that may be recovered in rates for rate cases to the same costs assessed by the PSC for its own review, a regulatory cost, and not the costs that the utility actually incurs, i.e. not the currently allowed 4x the PSC cost.

PSC Website & Dockets LRB 0147

LRB 0147/1 requires the PSC to list all names by which the utility may be known by on their website; It requires PSC to offer an email notification subscription service that allows a subscriber to a single docket or a single utility, and must allow them to select the type of activity related to the docket or utility for which they'd like to receive notifications; It requires PSC to produce reports that shows each proceeding for the prior calendar year with docket number, title, public comments issued, and an informal opinion on whether the final decision will have a positive, negligible, or negative impact on ratepayers. These reports must be provided to the Legislature and posted on the PSC's website.

Rate Changes LRB 0142

First, the bill requires that a notice if a utility files an application seeking a change to a proposed rate by 1% or more with the usual items plus: 1) The impact on customers, both as a percentage increase or decrease and as a dollar increase or decrease for the average customer in each class of customers ; 2) The anticipated annual impact to revenues; 3) A comparison between the utility's current rates, the proposed rates, and the average rates charged to customers across all other Midwestern states for each class of customers, with the rates for other Midwestern states calculated annually by the PSC; 4) The docket number, information on how to view and access records in the docket, and a brief synopsis on how to engage in public comment periods or hearings.

SEA, IRP, ETF, etc. LRB 4441

First, this legislation repeals the SEA and requires utilities to submit an Integrated Resource and Reliability Plan (IRRP); It requires utilities to report the closure of a power plant to the PSC at least 180 days prior to the shuttering of an entire facility or any generating unit at the facility if the closure exceeds 100 megawatts. The PSC must hold a public comment period of at least 30 days and must hold a hearing, and following public comments, must make a determination on whether the proposed closure may have an impact on electric service reliability; expands the use of Environmental Trust Financing to all remaining debt on the closure of any electric generating facility, and allows the PSC to compel ETF.

PSC Orders LRB 0577

LRB 0577/1 requires that any approved docket where the cost is at least 5% greater than initial PSC approval must be reopened following the notification of the cost overruns. The PSC must then hold a public comment period of at least 15 days and a public hearing on the reasons for the increase. After which the PSC, if in the public interest, may rescind, alter, or amend the order issued approval for the project.

AB 480 / SB 468 - Farmland Preservation Tax Credit for Solar (Schutt, Tomczyk):

This bill prohibits solar farms from eligibility for farmland preservation tax credits. AB 480 was introduced October 12th and referred to the Assembly Ways & Means Committee where it currently resides. WUA has not yet taken a position. *A public hearing was held October 26th. SB 468 was introduced September 29th and referred to the Agriculture & Tourism Committee where it currently resides.*

SB 70/AB 43, State Budget as proposed by Governor Evers February 15, 2023

- **Utilities - Highlights of Utility-Related Items from the LRB Budget Document in SB 70** - The bill requires investor-owned and municipal electric utilities to file **integrated resource plans** with PSC. The bill also requires PSC to review the integrated resource plans filed by electric utilities **to inform its biennial strategic energy assessment**. The bill **adds the retiring of any existing electric generating** facility fueled by nonrenewable combustible energy resources as an environmental control activity, the costs of which may be financed by an **environmental trust bond**. The bill allows PSC to authorize a **public utility to finance energy improvements** at a specific dwelling for a

residential or commercial customer. Under the bill, a public utility may recover the costs of such an energy improvement through a surcharge periodically placed **on the customer's account**. Equity-focused intervenor compensation The bill requires PSC to reserve **\$50,000 annually to compensate equity-focused participants in PSC proceedings** who review economic and environmental issues affecting low-income populations. The bill **increases the amount utilities must spend to 2.4 percent** of their annual operating revenues from retail sales for FOE. **The bill also expands the definition of “energy efficiency program”** to include a program that deploys electric technologies to meet energy needs currently served by other fuels in order to 1) reduce the usage of energy, increase the efficiency of usage of energy on a fuel-neutral basis, or reduce adverse environmental impacts, including carbon dioxide emissions and 2) reduce costs for electric public utilities and retail electric cooperatives or their customers or members. The bill **requires PSC to consider the social cost of carbon** in determining whether to issue certificates required to construct large electric **generating facilities or high-voltage transmission** lines or to engage in certain other public utility projects. The bill provides that it is **not unreasonable or unjustly discriminatory for a public utility to implement low-income assistance programs** if approved in a rate case in which PSC reviewed the program eligibility criteria and program credits or rebates and if that cost is incorporated in the public utility's published schedules or tariffs. The bill **increases the maximum penalties** (quadruples?) for persons who fail to operate and maintain **gas production, transmission, and distribution** facilities in a reasonably adequate and safe manner. The bill **requires PSC to administer annual impact and onetime environmental impact fees** paid under current law by persons authorized by PSC to operate high-voltage transmission lines. (Under current law, DOA administers the fees). The bill allows water **public utilities to make grants that cover the full cost of replacing lead-containing** customer-side water service lines.

Republicans built a compromise budget in Joint Finance (JFC) and offered it as [SSA 2](#), as amended by [SA 13](#), after removing the aforementioned policy items. **The Senate passed the budget June 28th and the Assembly passed it on June 29th.**

The budget provides \$4 million to boost utility aid payments to counties and municipalities for the presence of production plants that generate power using alternative energy or are located on or adjacent to brownfields.

In addition, the provisions of SB 308 and AB 302, the sales and use tax exemption for data center software and equipment, were included in the budget and signed into law as [WI Act 19](#).

Signed into law July 5th.

Budget Documents Links

- **Budget in Brief of PSC Recommendations by the Governor**
- <https://doa.wi.gov/budget/SBO/2023-25%20155%20PSC%20ExASEecutive%20Budget.pdf>
- **Full Budget LRB Document, SB 70**
- <https://docs.legis.wisconsin.gov/2023/related/proposals/sb70>
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- [DOA 2023-25 Executive Document Page](#)
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- [LRB Budget Analysis](#)

[EA-Strand, Summer](#) **Commissioner of the Public Service Commission** To serve for the term ending March 1, 2029. WUA registered in support. *Confirmation recommended, 5-0 on October 6, 2023.*

Links to Committees:

<https://docs.legis.wisconsin.gov/2023/committees/assembly/2636>

<https://docs.legis.wisconsin.gov/2023/committees/senate/2686>

2023-2024 Session Calendar

https://docs.legis.wisconsin.gov/2023/related/session_calendar/calendar