

SERVICE DATE Jan 10, 2014

PUBLIC SERVICE COMMISSION OF WISCONSIN

Quadrennial Planning Process II -Scope

5-FE-100

ORDER**Introduction**

By Notice dated July 3, 2013, the Commission opened an investigation to evaluate the energy efficiency and renewable resource programs (statewide and utility voluntary programs) and to determine their appropriate goals, priorities, and measurable targets. The Commission opened the Quadrennial Planning Process II docket by its authority under Wis. Stat.

§ 196.374(3)(b)1., which states:

At least every 4 years, after notice and opportunity to be heard, the commission shall, by order, evaluate the energy efficiency and renewable resource programs under sub. (2) (a) 1., (b) 1. and 2., and (c) and ordered programs and set or revise goals, priorities, and measurable targets for the programs. The commission shall give priority to programs that moderate the growth in electric and natural gas demand and usage, facilitate markets and assist market providers to achieve higher levels of energy efficiency, promote energy reliability and adequacy, avoid adverse environmental impacts from the use of energy, and promote rural economic development.

The Commission's decisions in the first Quadrennial Planning Process covered the 2011-2014 period for the statewide energy efficiency and renewable resource program known as Focus on Energy (Focus). The decisions in this Quadrennial Planning Process II will cover the 2015-2018 period.

In the Notice of Investigation (NOI) dated July 3, 2013, the Commission sought comments on the appropriate scope of the Quadrennial Planning Process II. Of particular interest were comments regarding which decisions made in the first quadrennial planning

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process, in addition to the statutorily required decisions, should be revisited, as well as any new issues that should be addressed in the Quadrennial Planning Process II. Decisions made in the first quadrennial planning process are set forth in Attachment A to the NOI. ([PSC REF#: 187137.](#))

The Commission received comments from eight organizations or individuals including: Wisconsin Utilities Association (WUA) ([PSC REF#: 188323](#)); Citizens Utility Board (CUB) ([PSC REF#: 188338](#)); Clean Wisconsin (Clean WI) ([PSC REF#: 188325](#)); RENEW Wisconsin (RENEW) ([PSC REF#: 188341](#)); Industrial Customer Group (ICG) comprised of the Wisconsin Paper Council, Wisconsin Industrial Energy Group, and Wisconsin Manufacturers and Commerce ([PSC REF#: 188340](#)); the current Focus program administrator, Chicago Bridge and Iron (CB&I) ([PSC REF#: 188339](#)); OPower ([PSC REF#: 188337](#)); and David Lawrence with the Wisconsin Rural Water Association ([PSC REF#: 188344](#)).

The issues for potential inclusion in the scope of the Quadrennial Planning Process II fall into five categories: (1) goals and priorities; (2) cost-effectiveness of programs; (3) renewable energy; (4) energy-water nexus; and (5) other.

Decisions

The Commission determined that the following topics would be included in the Quadrennial Planning Process II scope:

1. Goals and Priorities

- a. Examine the appropriateness of the establishment of an overall energy goal rather than specific goals for kilowatt-hours and therms.
- b. Re-examine the balance between resource acquisition and market transformation.

- c. Re-examine the emphasis between energy and demand.
- d. Revisit the relative emphasis of business and residential programs.
- e. Examine the issue of Focus receiving credit for code changes.
- f. Examine whether pilots for behavioral programs should be part of the next quadrennial period.

The Commission determined that funding the Environmental and Economic Research and Development Program will not be revisited in the Quadrennial Planning Process II scope.

2. Cost-effectiveness of Programs

- a. Revisit the cost-effectiveness tests used by Focus.
- b. Include avoided costs as an issue in the Quadrennial Planning II process scope.
 - i. Include forecasting of natural gas avoided costs.
 - ii. Examine the value of on-peak versus off-peak energy savings and whether the difference should be reflected in Focus incentives.
- c. Re-examine the current discount rate.
- d. Re-examine the current levelized value of carbon.
- e. Re-examine the current approach to determining measure lifetime, degradation, and persistence of savings.

3. Renewable Energy

- a. Re-examine the relative priority of and guidelines for renewable energy.
- b. Re-examine how to evaluate the cost-effectiveness of renewable resource programs.

4. Energy-Water Nexus

- a. Include the energy-water nexus as be part of the Quadrennial Planning Process II scope.

5. Other Issues

- a. Re-examine rate mitigation impact strategies as part of the Quadrennial Planning Process II scope.
- b. Examine how Focus could be used to cost-effectively meet federal carbon standards.

The Commission determined that two issues should not be included in the Quadrennial Planning Process II scope: (1) a new energy efficiency potential study that includes opportunities from behavioral programs; and (2) revisiting any decisions from the first Quadrennial Planning Process that were not specially addressed above.

Dated at Madison, Wisconsin, this 9th day of January, 2014.

By the Commission:



Sandra J. Paske
Secretary to the Commission

SJP:JAS;jlt:DL: 00895998

See attached Notice of Rights

PUBLIC SERVICE COMMISSION OF WISCONSIN
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**NOTICE OF RIGHTS FOR REHEARING OR JUDICIAL REVIEW, THE
TIMES ALLOWED FOR EACH, AND THE IDENTIFICATION OF THE
PARTY TO BE NAMED AS RESPONDENT**

The following notice is served on you as part of the Commission's written decision. This general notice is for the purpose of ensuring compliance with Wis. Stat. § 227.48(2), and does not constitute a conclusion or admission that any particular party or person is necessarily aggrieved or that any particular decision or order is final or judicially reviewable.

PETITION FOR REHEARING

If this decision is an order following a contested case proceeding as defined in Wis. Stat. § 227.01(3), a person aggrieved by the decision has a right to petition the Commission for rehearing within 20 days of the date of service of this decision, as provided in Wis. Stat. § 227.49. The date of service is shown on the first page. If there is no date on the first page, the date of service is shown immediately above the signature line. The petition for rehearing must be filed with the Public Service Commission of Wisconsin and served on the parties. An appeal of this decision may also be taken directly to circuit court through the filing of a petition for judicial review. It is not necessary to first petition for rehearing.

PETITION FOR JUDICIAL REVIEW

A person aggrieved by this decision has a right to petition for judicial review as provided in Wis. Stat. § 227.53. In a contested case, the petition must be filed in circuit court and served upon the Public Service Commission of Wisconsin within 30 days of the date of service of this decision if there has been no petition for rehearing. If a timely petition for rehearing has been filed, the petition for judicial review must be filed within 30 days of the date of service of the order finally disposing of the petition for rehearing, or within 30 days after the final disposition of the petition for rehearing by operation of law pursuant to Wis. Stat. § 227.49(5), whichever is sooner. If an *untimely* petition for rehearing is filed, the 30-day period to petition for judicial review commences the date the Commission serves its original decision.¹ The Public Service Commission of Wisconsin must be named as respondent in the petition for judicial review.

If this decision is an order denying rehearing, a person aggrieved who wishes to appeal must seek judicial review rather than rehearing. A second petition for rehearing is not permitted.

Revised: March 27, 2013

¹ See *State v. Currier*, 2006 WI App 12, 288 Wis. 2d 693, 709 N.W.2d 520.