



Public Service Commission of Wisconsin

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PSC Issues Final Strategic Energy Assessment

*Energy 2014 Focuses on Preparing Wisconsin's Electric Utilities
for Meeting the Challenge of Climate Change*

MADISON – The Public Service Commission of Wisconsin (PSC) has issued the final Strategic Energy Assessment – Energy 2014, which includes recommendations for a more regional and coordinated approach to energy generation, transmission and renewables planning, as the country moves closer to enacting comprehensive greenhouse gas regulation.

In the final report, the Commission directs PSC staff to prepare a detailed statewide analysis that evaluates how Wisconsin utilities might go about cost-effectively meeting medium-term greenhouse gas reduction targets. The staff analysis will describe potential power plant additions and retirements, possible repowering and fuel switching, and any other measures or costs that may go into complying with a national cap and trade program. This analysis will then be made available for comments from utilities and other interested stakeholders.

“Federal greenhouse gas regulations are coming,” said PSC Chairperson Eric Callisto. “We need to have a comprehensive, least-cost strategy that will enable Wisconsin to comply with new climate change regulation in as cost-effective a manner as possible. The analyses that we will undertake as part of Energy 2014 will, at least in part, help this state meet that challenge.”

“This report identifies the need for additional coordination in light of the landmark changes in energy regulation that are upon us,” said Commissioner Lauren Azar. “It is a step in the right direction, but we need leaps and bounds. The Commission needs additional authority if we are to accomplish the level of planning necessary to secure Wisconsin’s energy future.”

“Energy 2014 provides a roadmap to help the Commission make decisions that ensure that our electric system is safe, reliable, affordable and respects the environment,” said Commissioner Mark Meyer. “It will be important that the commission be flexible in its analysis to ensure we account for upcoming changes in carbon legislation.”

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Biennially the PSC prepares a strategic energy assessment to evaluate the state's current and future energy demands. The final report, based on data and information collected in 2007 and 2008 from Wisconsin utilities and power cooperatives highlights several conclusions:

- Mandatory constraints on greenhouse gas emissions at the state, regional and federal level appear to be inevitable, and will carry significant implications for Wisconsin's electric utilities, as electric power generation is responsible for more than 30 percent of Wisconsin's greenhouse gas emissions;
- Significant approved new generation coming online is expected to keep planning reserve margins near or above 19 percent through 2012 and based on already approved construction, the planning reserve margin for 2014 is expected to be nearly 12 percent. This number is expected to increase as more energy efficiency is implemented and new generation is proposed;
- Generation planning shows no new baseload generation is needed during this SEA period on a statewide basis;
- It is expected that the current and ongoing transmission system expansion and improvements will greatly enhance the ability to move electricity into and within Wisconsin by 2010;; and
- Energy efficiency, conservation, and load control will play an important role in reducing Wisconsin's energy costs and environmental impacts.

The final report of Strategic Energy Assessment – Energy 2014 can be found on the PSC website at http://psc.wi.gov/apps35/erf_view/viewdoc.aspx?docid=110982

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