



Public Service Commission Report to the Legislature

**Energy Efficiency and Renewable Resource Program
Activities in Wisconsin**

Calendar Year 2023

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WISCONSIN UTILITIES' ENERGY EFFICIENCY AND RENEWABLE RESOURCES PROGRAM SUMMARY (FOCUS ON ENERGY)

Focus on Energy (Focus) works with eligible Wisconsin residents and businesses to install cost-effective energy efficiency and renewable energy projects. Focus technical assistance and financial incentives help to implement projects that otherwise would not be completed, or to complete projects sooner than scheduled. Focus efforts help Wisconsin residents and businesses control the state's growing demand for electricity and natural gas, manage rising energy costs, promote in-state economic development, and protect our environment.

Additional information regarding Focus can be found at www.focusonenergy.com.

HISTORY

Originally formed by the Wisconsin Legislature in 1999 and funded by the Utility Public Benefits fund, Focus delivers energy efficiency and renewable energy services for [residential](#) and [business](#) customers throughout the state. In 2001, the Department of Administration rolled out the *Focus on Energy Program* statewide. In partnership with consumers, utilities, businesses, non-profit organizations, and all government levels, the programs help residents and businesses make smart energy choices and reduce energy waste.

Under [2005 Wisconsin Act 141](#) (Act 141), oversight of Focus was transferred to the Public Service Commission (Commission). Act 141 requires investor-owned electric and natural gas utilities to spend 1.2 percent of their annual gross operating revenues on Focus' energy efficiency and renewable resource programs. The utilities formed a non-profit board called the Statewide Energy Efficiency and Renewables Administration (SEERA) to fulfill its obligations under Act 141. Act 141 also requires municipal utilities and retail electric cooperatives to collect an average of \$8 per meter to fund energy efficiency programs. Municipal utilities and retail electric cooperatives can collect the dollars and participate in the Focus program or can elect to operate their own Commitment to Community programs.

Per Act 141, Focus aims to:

- Reduce the amount of energy used per unit of production in Wisconsin, while improving energy reliability;
- Enhance economic development and make Wisconsin firms more competitive;
- Reduce the environmental impacts of energy use;
- Expand the ability of markets to deliver energy efficient and renewable energy goods and services to consumers and businesses; and,
- Deliver quantified financial returns on public investments in energy improvements.

2023 FOCUS ON ENERGY SAVINGS – OVERALL PROGRAM RESULTS

Focus programs have three separate delivery channels which include:

- The residential channel which serves single-family, individual multifamily units, and multifamily buildings consisting of one to three units.
- The nonresidential channel which serves multifamily (common areas and buildings with four or more units), commercial, industrial, schools, government, and agribusiness customers.
- The midstream channel which serves residential and nonresidential customers via distributors of eligible equipment.

These three channels for 2023 are further broken out into Programs and Offerings in Table 1 below.

Table 1: 2023 Focus Programs and Offerings

Sector	Program	Offering
Residential	Direct to Customer	*Online Market Place *Packs *Retail/*Rural Retail
	Trade Ally Solutions	*Heating and Cooling (Tier I & Tier II) *Air Sealing & Insulation *Renewable Energy, Residential Solar PV
	Pilots	*Affordable Housing Passive Pilot *Trade Ally Solutions-Multifamily SEM
	New Construction	*Residential New Construction
Cross-cutting	Midstream	*HVAC *Commercial Kitchen *CBO Kit Distribution
Non-Residential	Business & Industry	*Agribusiness *Commercial and Industrial *Large Industrial
	Schools & Government	*Schools include K-12 Public & Private; Colleges & Universities Public & Private *Government includes Local, State, Federal and Tribes
	New Construction	*Design Assistance/Review *Prescriptive
	Pilots	*Integrated Controls Pilot *Life Sciences Mid-Stream Pilot *Virtual Commissioning Pilot
	Trade Allies	*Renewable Energy, Non-Residential Solar PV

Some of the highlights for 2023 include:

- For every dollar invested in energy efficiency, Focus provided \$2.17 in benefits in avoided energy costs and reduced emissions; when economic benefits are added, the ratio increases to \$3.75 to \$1.
- Customer satisfaction levels remained high. Across all Focus programs, customer satisfaction was measured at 9.4 on a 10-point scale.

Table 2: Verified Gross Lifecycle Energy Savings with Renewables: January 1-December 31, 2023

Portfolio	Participants	Verified Gross kWh*	Verified Gross kW*	Verified Gross Therms*	MMBtu	Benefit Cost Ratio
Non-Residential	3,923	6,036,620,993	59,004	252,282,376	45,825,188	2.77
Residential	157,404	1,226,256,941	16,974	108,059,315	14,989,920	1.10
Midstream	189,291	183,236,319	2,432	30,366,531	3,661,855	3.39
FOCUS TOTAL	350,618	7,446,114,252	78,410	390,708,223	64,476,964	2.17

* Verified gross savings numbers are savings that have gone through an engineering review by evaluators to determine whether the reported gross savings were reasonable.

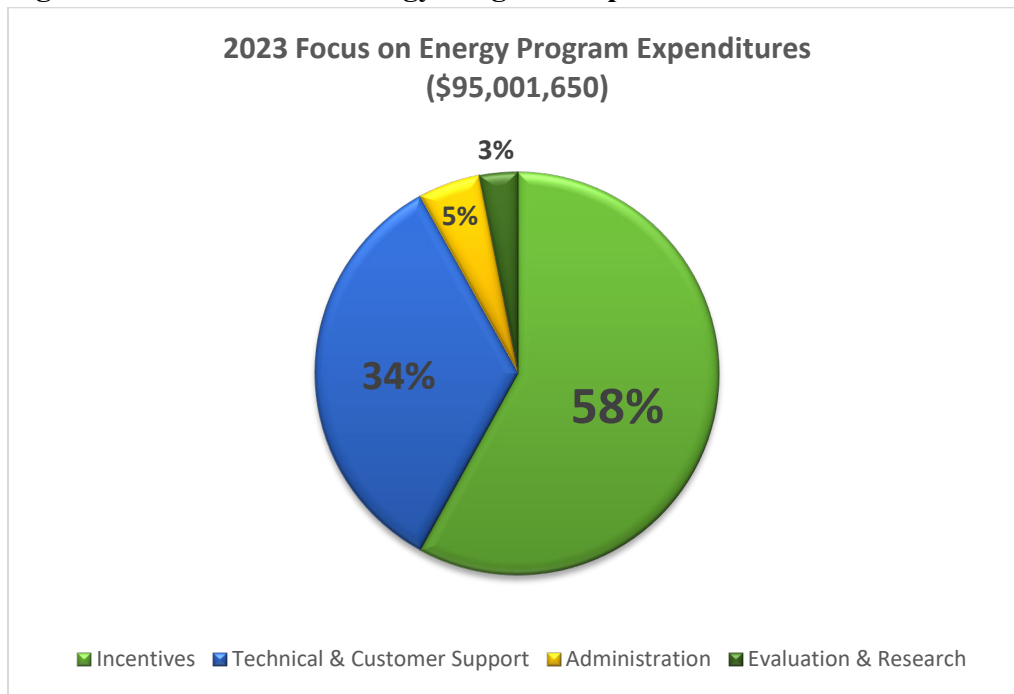
2023 FOCUS ON ENERGY PROGRAM EXPENDITURES

The five categories of Focus expenditures are defined as follows:

- **Incentives** costs are cash incentives payable to customers & contractors who serve as program trade allies, as well as instant discounts received at point of purchase at participating retail locations.
- **Technical & Customer Support** costs are those associated with project identification, engineering calculation & modeling, inspection of installed projects, trade ally contractor outreach, technical training, marketing, and customer service.
- **Administrative** costs are the costs not directly associated with a specific program activity, but which are necessary to the development and administration of programs, including record keeping, payroll, accounting, auditing, billing, business management, budgeting and related activities, overhead allocation and other costs necessary to direct the organization of the program, but do not include program evaluation.
- **Evaluation** costs are those associated with independently verifying program energy savings and supporting continuous program improvement through analysis of markets, technologies, and program operations.
- **Research** costs are those associated with energy efficiency and renewables research and screening of new solutions through the Environmental & Economic Research & Development Program, Future Focus, and Pilot offerings.

Figure 1 following illustrates expenditures for the Focus program as a whole in 2023.

Figure 1: 2023 Focus on Energy Program Expenditures



ECONOMIC AND ENVIRONMENTAL BENEFITS FROM THE FOCUS PROGRAM

Program cost-effectiveness remains high, even as Focus has ramped up higher-cost efforts to reach underserved rural customers with new programs. The benefits from avoided energy costs and avoided emissions substantially exceeded the costs of program spending and participant project costs. The Focus program achieved \$2.17 in benefits for every \$1 in costs in 2023 from reduced energy costs and avoided emissions; when economic benefits are added, the ratio increases to \$3.75 to every \$1 in costs. Avoided emissions include:

- 6,844,843 tons of carbon dioxide;
- 2,437 tons of nitrogen oxide; and,
- 3,006 tons of sulfur dioxide.

NON-RESIDENTIAL (BUSINESS) ENERGY EFFICIENCY PROGRAMS

All types of businesses, large and small, can benefit from the energy efficiency expertise provided by Focus staff. Focus works with eligible Wisconsin businesses to install cost-effective energy efficiency and renewable energy projects. Its efforts help businesses reduce energy waste, protect our environment, control the state's growing demand for electricity and natural gas, and promote in-state economic development. Table 3 below shows the non-residential sector Programs and Offerings for 2023:

Table 3: 2023 Focus Non-Residential Programs and Offerings

Sector	Program	Offering
Non-Residential	Business & Industry	*Agribusiness *Commercial and Industrial *Large Industrial
	Schools & Government	*Schools include K-12 Public & Private: Colleges & Universities Public & Private *Government includes Local, State, Federal and Tribes
	New Construction	*Design Assistance/Review *Prescriptive
	Trade Allies	*Renewable Energy, nonresidential Solar PV
	Midstream	*HVAC *Commercial Kitchen

These Focus programs help Wisconsin businesses by:

- Working with companies to identify and implement energy strategies;
- Providing businesses with financial incentives for implementing these strategies;
- Providing no-cost or low-cost energy tips;
- Offering training opportunities on energy efficiency; and
- Offering support for the preparation of applications for federal grants from the U.S. Department of Energy and ensuring that Focus incentives can be used as a funding match, if appropriate.

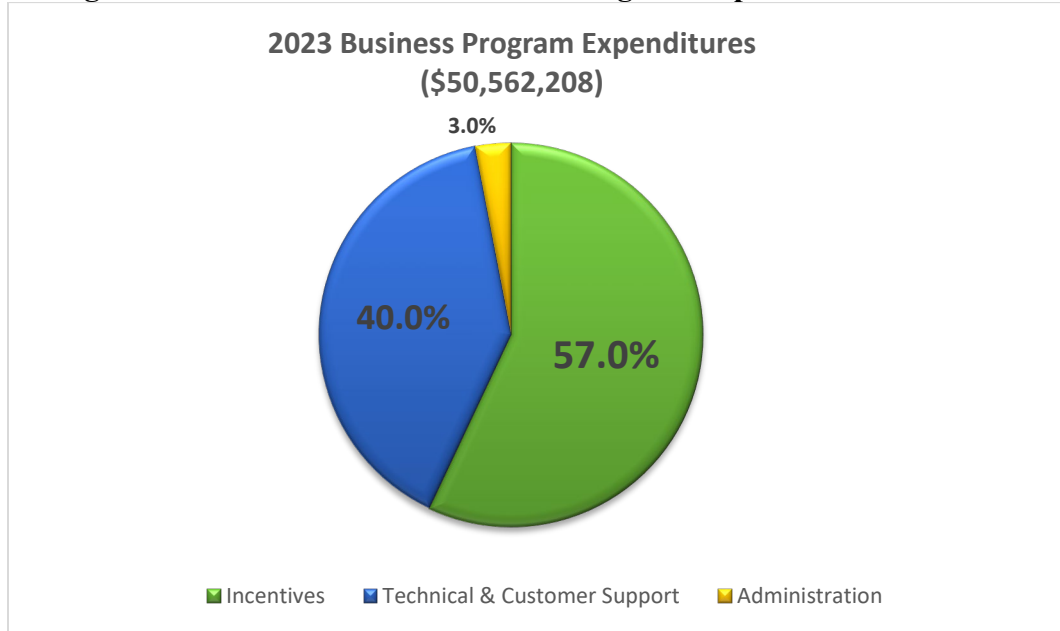
Table 4: 2023 Verified Gross Lifecycle Nonresidential Savings (with Renewables)

Portfolio	Participants	Verified Gross kWh	Verified Gross kW	Verified Gross Therms	MMBtus	Benefit Cost Ratio
Non-Residential	3,923	6,036,620,993	59,004	252,282,376	45,825,188	2.77

Expenditures – Non-Residential Programs

Figure 2 below illustrates expenditures for the 2023 Non-Residential programs.

Figure 2: 2023 Focus Non-Residential Program Expenditures



RESIDENTIAL ENERGY EFFICIENCY PROGRAMS

Focus offers a variety of Residential programs designed to help residents reduce energy waste and save money by providing information and incentives necessary to support smart energy choices. Wisconsin residents can order free energy-saving packs online, or purchase energy-saving products at the Focus Online Marketplace. Some efficiency upgrades to existing homes – like a new furnace or air sealing and insulation - require professional assistance. Through the Trade Ally Solutions Program, Focus experts can offer insight, technical assistance, and financial incentives to get homeowners started. Table 5 below shows the 2023 Residential Programs and Offerings.

Table 5: 2023 Focus Residential Programs and Offerings

Sector	Program	Offering
Residential	Direct to Customer	*Online Market Place *Packs
	Trade Ally Solutions	*Retail/*Rural Retail *Heating and Cooling (Tier I & Tier II) *Air Sealing & Insulation *Renewable Energy, Residential Solar PV
	Pilots	* Affordable Housing Passive Pilot *Trade Ally Solutions-Multifamily SEM
	New Construction	*Residential New Construction
	Midstream	*HVAC

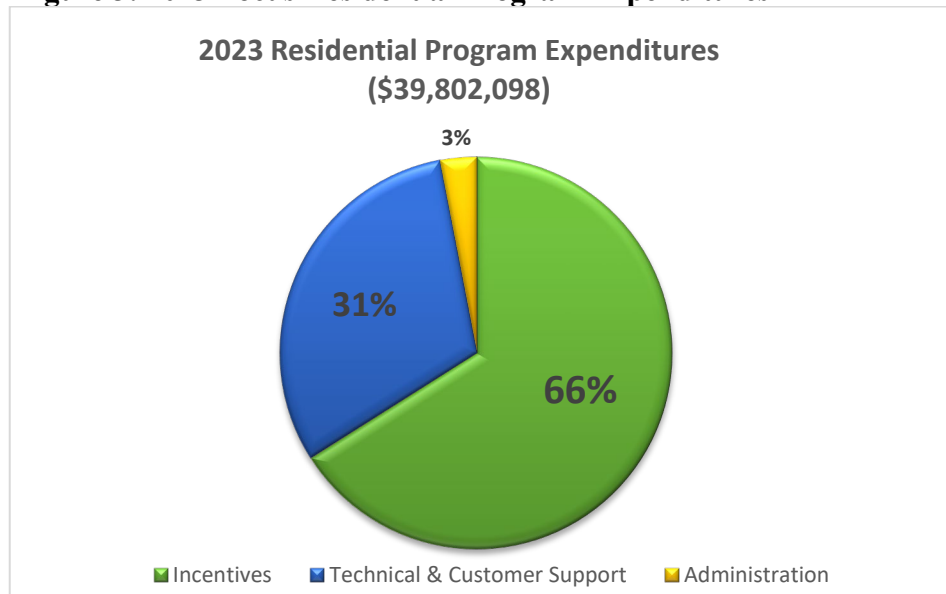
Table 6: 2023 Verified Gross Lifecycle Residential Savings (with Renewables)

Portfolio	Participants+	Verified Gross kWh	Verified Gross kW*	Verified Gross Therms	MMBtu	Benefit/Cost Ratio
Residential Programs	157,404	1,226,256,941	16,974	108,059,315	14,989,920	1.10

Expenditures – Residential Programs

Figure 3 below illustrates expenditures for the 2023 Focus Residential Program.

Figure 3: 2023 Focus Residential Program Expenditures



RENEWABLE ENERGY PROGRAMS

Act 141 requires that the statewide program (Focus) includes renewable resource programs for Business and Residential customers. For the Quadrennial IV four-year period, the Commission set a total budget for renewables at \$22 million. For the Residential program in 2023, Focus offered financial rebates to offset solar installation costs for single family homes and multifamily buildings. The rebates included:

- Residential customers could receive up to \$500.
- Customers in specific rural ZIP Codes were eligible to receive up to a \$500 bonus in order to boost participation.
- Solar on multifamily buildings could receive up to \$50,000.

Focus offered solar PV rebates of up to \$50,000 for businesses and up to \$60,000 for agricultural producers. In addition, Focus offered rebates up to \$300,000 for renewable energy projects including: Biogas, Biomass, Solar Thermal, and Wind. Finally, Focus provided up to \$15,000 in

financial rebates, not to exceed 50 percent of the cost of the study, for biogas and biomass feasibility studies. A feasibility study allows Wisconsin businesses, municipalities, farms, and other generators of waste or wastewater to assess the practicality of a proposed plan or project and make an informed decision on whether to proceed with implementation.

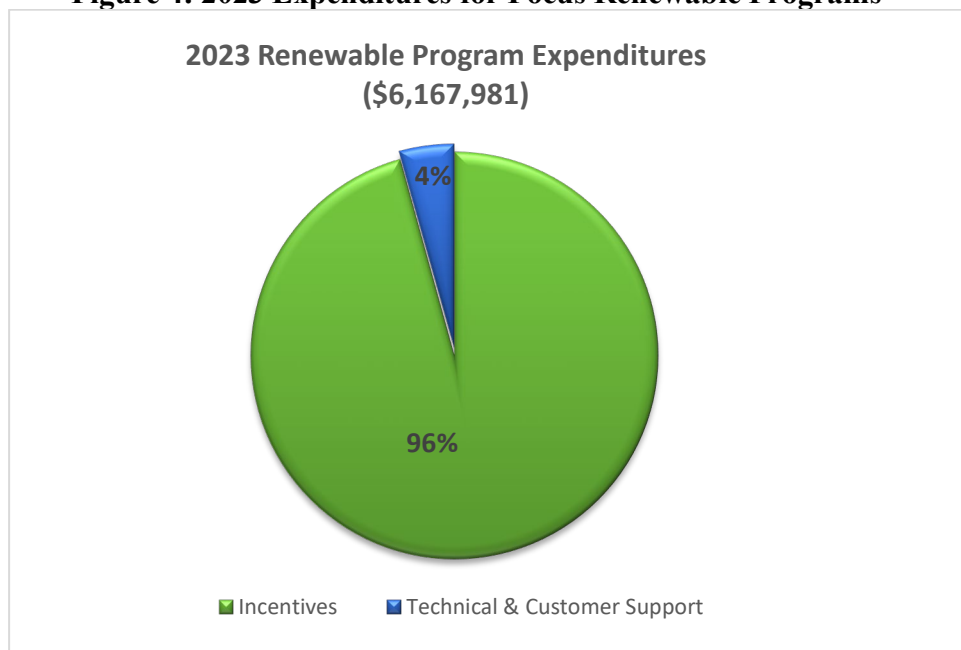
Table 7: 2023 Verified Gross Lifecycle Renewable Impacts

	Participants	Verified Gross kWh	Verified Gross kW	Verified Gross Therms	Benefit/Cost Ratio
Non-residential Renewables	243	1,345,480,475	17,968	0	1.21
Residential Renewables	2,942	851,318,357	11,621	0	
TOTAL	3,185	2,196,798,832	29,589	0	

Expenditures – Renewable Energy Programs

Figure 4 below illustrates expenditures for the 2023 Focus Renewable Programs.

Figure 4: 2023 Expenditures for Focus Renewable Programs



RESEARCH PORTFOLIO

State statutes require that the statewide program include initiatives for research and development regarding the environmental and economic impacts of energy use in this state (Wis. Stat. 196.374(2)(a)2.d.) Focus on Energy supports energy efficiency and renewable energy research through the Environmental & Economic Research and Development Program (EERD). EERD research projects allow Wisconsin to further its efforts towards reducing energy waste, costs, and environmental impacts. EERD projects are selected through a targeted competitive request for proposals (RFP) process. In 2023, APTIM did not solicit ideas for new research topics

for EERD since there were several topics suggested as a result of the Quadrennial IV Planning Process. Solicitations will resume in future years, informed by Commission policies and priorities.

Future Focus

Focus on Energy also accepts research concepts or ideas on a rolling basis through the Future Focus process. The Future Focus process reviews new concepts and technologies that have the potential to expand the range and value of services available to Wisconsinites, as well as help the program achieve desired outcomes of energy savings, customer satisfaction, and/or market transformation.

Pilots and Demonstrations

In order to support the viability of Focus on Energy into the future, it is necessary to experiment and research new ideas, pilot programs, technologies, and delivery methods. Once tested these opportunities may be added to the program portfolio. Annually, Focus on Energy hosts Pitch Day, an opportunity for industry partners and stakeholders to showcase energy efficiency or renewable energy pilot program ideas to a panel of judges in an interactive way.

Emerging Technology

This initiative includes the Emerging Technology Accelerator, which looks at new technologies for residential and commercial businesses, and the Industrial Technology Accelerator, which focuses on understanding technologies most beneficial to industrial operations. Technologies identified undergo an initial screening, and if they meet the opportunity threshold, they advance to comprehensive review.

Ongoing and completed projects in the above categories can be found at [Future Focus Initiative | Focus on Energy](#).

FOCUS 2023 FINANCIAL SUMMARY

Administrative Costs

Table 8 below summarizes the administrative expenditures for the Focus program in 2023, which accounted for five percent of total spending.

Table 8: 2023 Focus Administrative Expenditures

2023 Administrative Costs	2023 Expenditures
Compliance Agent	\$292,401
SPECTRUM & General Software	\$1,161,548
Fiscal Agent (includes banking fees)	\$564,087
PSC Staff Oversight	\$413,900
SEERA Miscellaneous Expenses	\$0
APTIM Administrative Costs	\$2,220,803
Implementer Administrative Costs	\$681,682
TOTAL	\$5,334,421

Table 9 below, the Financial Sheet, summarizes revenue, expenditures, and Focus obligations for 2023. Please note that the expenses for both the Residential and Business Programs include renewable resource program expenditures in addition to the energy efficiency program expenditures. In any given program year, not all dollars contributed are budgeted to programs in order to cover contractual obligations to be paid the following year.

2023 Focus Financial Sheet¹

Table 9: 2023 Focus Financial Sheet

REVENUE	
Investor-Owned Utilities	\$95,440,565
Municipal Electric Providers/Electric Cooperatives	\$3,553,223
Training Revenue	\$9,289
TOTAL REVENUE	\$99,003,077
EXPENSES	
Residential Programs (with renewables)	\$39,802,097
Non-Residential Programs (with renewables)	\$50,562,207
Environmental and Economic Research and Development	\$5,000
Evaluation	\$2,466,975
Other Program Support ²	\$2,165,371
TOTAL EXPENSES	\$95,001,650
Carry-Over Funds ³	\$8,266,058
Focus Contractual Obligations ⁴	\$18,199,976

¹ Taken from the SEERA *Expense Report, Expenses through December 31, 2023*.

² Includes Fiscal Agent; Compliance Agent; Commission; SEERA; consulting services; software; SPECTRUM development and maintenance; and bank fees. This figure includes an accounting adjustment related to the timing of certain financial transactions.

³ Carry-over funds refer to funds obligated, but not spent in the current year. The carry-over process changed per a Commission Order ([PSC REF#: 433746](#)). Beginning in 2023, rather than an annual budget, the budget will be viewed as a four-year budget to allow for flexibility with program design. The Program Administrator continues to report on carryover and any unallocated funds remaining at the end of each calendar year.

⁴ Contractual Obligations refer to contracts with customers for the receipt of incentives when a project is installed/completed. Large projects can take up to 16 months from start to finish and therefore span from one calendar year to the next. Obligations totaling \$14,389,200 are expected to expire by 12/31/2024. This amount is taken from SPECTRUM.

MUNICIPAL ELECTRIC AND RETAIL ELECTRIC COOPERATIVE REPORTING FOR COMMITMENT TO COMMUNITY PROGRAMS (CTC)

Act 141 requires municipal utilities and retail electric cooperatives to collect an annual average of \$8 per meter for energy efficiency programs. The monthly fee may not exceed 1.5 percent of the total of every other charge for which the customer or member is billed for that month or \$375 per month, whichever is less. Each municipal utility or retail electric cooperative can choose to send the dollars collected to the Focus fund or keep them and operate its own Commitment to Community (CTC) programs. Although Act 141 excludes load management from the definition of energy efficiency, it allows municipal utilities and retail electric cooperatives to include load management in their CTC program offerings.

Act 141 requires an electric cooperative or municipal utility operating its own CTC program to file a report that includes the following: 1) an accounting of fees charged to customers or members in the year, 2) expenditures on CTC programs, 3) a description of CTC programs established for the year, and 4) the effectiveness of the CTC programs in reducing demand for electricity by customers or members.

In 2023, 11 cooperatives and all 81 municipal electric utilities sent their energy efficiency funds to Focus. CTC programs were operated by 13 retail electric cooperatives¹. Reports for these cooperatives can be found on the PSC website <https://psc.wi.gov> and typing in docket number 5-GF-177 on the E-Services Portal. The energy savings estimates are calculated by the cooperatives and are not subject to the same evaluation procedures as the Focus savings are. As a result, Commission staff cannot verify these CTC energy savings claims and does not recommend adding these savings to Focus savings for the purposes of calculating statewide energy savings.

UTILITY VOLUNTARY PROGRAMS

Pursuant to Wis. Stat. § 196.374(2)(b)2., investor-owned utilities (IOUs) may, with Commission approval, fund and administer voluntary energy efficiency or renewable resource programs that are in addition to the statewide Focus programs. In 2023, four IOUs implemented voluntary programs: Northern States Power Company-Wisconsin (NSPW, also known as Xcel Energy), Wisconsin Electric Power Company (WEPCO, also known as We Energies), Wisconsin Public Service Corporation (WPSC), and Wisconsin Power and Light Company (WP&L, also known as Alliant Energy).

¹ Barron Electric Cooperative, Bayfield Electric Cooperative, Central Wisconsin Electric Cooperative, Chippewa Valley Electric Cooperative, Dunn Electric Cooperative, East Central Energy Cooperative, Jackson Electric Cooperative, Jump River Electric Cooperative, Price Electric Cooperative, Polk Burnett Electric Cooperative, Riverland Electric Cooperative, St. Croix Electric Cooperative, and Washington Island Cooperative.

NORTHERN STATES POWER COMPANY-WISCONSIN (XCEL ENERGY)

Xcel offered three voluntary programs in 2023:

- **Residential Community Conservation Program.** This program was designed to provide additional incentives to Xcel’s residential customers and to bring Focus programs to smaller or rural areas of its service territory that otherwise may not have been reached. In 2023, Xcel paid a bonus incentive to customers who participated in the heating and cooling and air sealing and insulation offerings. The bonus incentive was equal to 75 percent of Focus on Energy’s incentive to eligible residential customers and the combined total incentive (from Focus and Xcel could not exceed 90 percent of total project costs.

Participation and incentive expenditures in the Residential CCP have fluctuated in recent years as shown in Table 10 below. During the pandemic, the number of residential projects completed increased substantially. In 2022, the number of residential projects returned to pre-pandemic levels. While the number of projects completed in 2023 decreased, the average incentive per residential project completed increased due in large part to Focus increasing rebate amounts for air-source heat pumps (ASHPs). An ASHP replacing a baseline gas furnace results in overall energy savings that include a large decrease in natural gas usage and a large increase in electricity usage.

Table 10: Residential CCP Participation and Incentive Expenditures

Year	# Residential CCP Projects Completed	Residential CCP Incentive Expenditure
2021	3,156	\$380,626
2022	2,242	\$534,729
2023	2,105	\$697,350

- **Commercial Community Conservation Program (CCCP).** This program was complementary to the Focus Business and Industry program (B & I) and provided opportunities for business customers and non-managed industrial customers throughout its service territory, which included a bonus incentive equaling up to 50 percent of Focus on Energy’s incentive, up to \$4,000, with total Xcel bonus incentives not to exceed \$4,000 per customer.

2023 saw a slight decrease in participation and incentives paid. In 2023, Xcel’s Commercial CCP served 524 customers compared to 538 business customers in 2022. This resulted in 2023 annual program savings of 30,875,530 kWh of electricity and 641,230 therms of natural gas.

- **Mid-Market Program.** Xcel’s Mid-Market Program (MMP) field representatives provided one-on-one outreach and support, including on-site assessments and reviews of rebate program offerings, designed to identify potential energy efficiency improvements for midmarket customers (small- and medium-sized commercial customers). Program staff worked in coordination with Focus on Energy, boosting Xcel’s customers’ participation in Focus’ existing commercial programs.

MMP project completions increased 30 percent from 2022 to 2023. While customer contacts decreased from 800 in 2022 to 644 in 2023, contacts that were made were higher quality contacts resulting in more projects and higher incentives than previous years (117 in 2022 compared to 155 in 2023.)

Table 11 below shows Xcel Voluntary Program Budgets and Expenditures from 2021 - 2023.

Table 11: Xcel Voluntary Program Budgets and Expenditures

Year	Residential CCP	Commercial CCP+	TOTAL
2021 Budget	\$721,180	\$1,606,992	\$2,328,172
2021 Expenditures ¹	\$502,143	\$1,156,122	\$1,658,265
2022 Budget	\$765,467	\$1,607,416	\$2,372,883
2022 Expenditures ²	\$665,114	\$1,112,322	\$1,777,436
2023 Budget	\$765,467	\$1,607,416	\$2,372,883
2023 Expenditures ³	\$771,518	\$1,165,140	\$1,936,658

1. [PSC REF#: 431676](#)
2. [PSC REF#: 461506](#)
3. [PSC REF#: 491878](#)

+Commercial CCP Budget includes the Mid-Market budget and expenditures.

WISCONSIN ELECTRIC POWER COMPANY (WE ENERGIES)

We Energies had two voluntary programs operating in 2023:

- **Residential Assistance Program (RAP)** provided weatherization services for low-income customers in the We Energies service territory to address energy efficiency of the entire home and help reduce energy costs. RAP was available to natural gas customers who were homeowners and earned below 80 percent of the State Median Income (SMI). Weatherization measures offered under RAP included those measures eligible for Focus’ enhanced incentives for income-qualified customers (also referred to as Tier 2 incentives) and included attic and wall insulation, air sealing, smart thermostats, and replacement of furnaces, boilers, and water heaters. Additional measures that can improve efficiency, comfort, and safety and were not offered by Focus were also eligible under RAP.

RAP funding covered all remaining costs after Focus incentives were applied. Trade allies performing the work submitted all required documentation to Focus for incentives and submitted project invoices to We Energies for the remainder of the balance. We Energies

set an annual target to weatherize 150 homes. Prior to 2021, the program consistently exceeded its annual target of 150 homes. Challenges largely beyond the control of the program, including those associated with the impacts of the COVID-19 pandemic, have influenced performance in recent years. However, the program made progress in 2023 and exceeded its goal with 159 units completed. Table 12 below shows RAP budget and spending for the last three years.

Table 12: RAP Budget and Spending, 2021-2023

Year	Budget Approved	RAP Expenditures	Units Complete	Average \$/Unit	Source
2021	\$925,000	\$873,271	145	\$6,023	PSC REF#: 434013
2022	\$925,000	\$873,382	129	\$6,786	PSC REF#: 463347
2023	\$925,000	\$922,804	159	\$5,804	PSC REF#: 495076

In addition, starting in 2022, We Energies collaborated with Focus and trade ally partners to develop program eligibility criteria for owner-occupied multifamily properties, non-owner-occupied housing units, and non-profit customers. Eligible customers were identified through referrals from the utility’s Low Income Forgiveness Tool (LIFT) program and were also referred from the State’s Home Energy Plus Program (Low Income Energy Assistance Program and Weatherization Assistance Program). In 2023, the RAP Pilot program fulfilled its objective of completing projects across various categories, including seven single family units (non-owner-occupied), a duplex, a multifamily dwelling, and a non-profit organization. This marked a significant milestone after diligent efforts to overcome barriers and ensure eligibility identification and project completion. The pilot had a budget of \$100,000 in 2023 and expenditures totaled \$50,233 ([PSC REF#: 495076](#).)

- **Voluntary Design Assistance Program (VDAP)** supported business customers by performing customized whole-building analysis of energy saving options during the design phases for new construction and major renovations. We Energies’ voluntary program provided additional funding to help more of its customers participate in Focus on Energy’s Design Assistance Program (DAP) in the event Focus on Energy’s statewide program budget was fully expended. We Energies was first approved to operate its VDAP for the 2019-2020 program period and was approved by the Commission to operate through the 2026 program year. Table 13 below shows projects completed between 2021 and 2023. It should be noted that the Focus on Energy’s Design Assistance Program budget was not exhausted in 2023 which led to fewer projects in the VDAP track.

Table 13: Voluntary Design Assistance Projects Completed, 2021-2023

Program Year	Projects Complete	Project Sectors	Combined Sq. Footage
2021	11	Retail, Office, Multifamily, Distillery	~574,000 ft ²
2022	14	Retail, Warehouse, Mixed Use School, Multifamily	~900,000 ft ²
2023	2	NA	NA

Table 14 below shows approved budget and actual expenditures for program years 2021 - 2023.

Table 14: Voluntary Design Assistance Budget and Expenditures 2021-2023

Program Year	Approved Budget	Actual Expenditures
2021	\$650,000	\$272,635
2022	\$650,000	\$249,342
2023	\$650,000	\$170,930

WISCONSIN PUBLIC SERVICE CORPORATION (WPSC)

In 2023, WPSC completed its fourth year of operating its voluntary program modeled after the We Energies Residential Assistance Program (RAP):

- **Residential Assistance Program (RAP)** provided weatherization services for low-income customers in the WPSC service territory to address the energy efficiency of the entire home and help reduce energy costs. RAP was available to natural gas customers who were homeowners and earned below 80 percent of SMI.

In addition, beginning in 2022, WPSC collaborated with Focus to develop program eligibility criteria for owner-occupied multifamily (6-12 units) properties, non-owner-occupied housing units, and non-profit customers. Eligible customers were primarily identified through referrals from the utility’s Customer Assistance team and were commonly sourced from WPSC’s Fresh Start program, the State’s Home Energy Plus Program (Low Income Energy Assistance Program and Weatherization Assistance Program), community partners, and other emergency assistance programs. WPSC launched this program in 2023 and is working to overcome barriers around eligibility identification. The budget was \$100,000 for 2023, and expenditures totaled \$47,607.

Weatherization measures offered under RAP included those measures eligible for Focus Tier 2 incentives and included attic and wall insulation, air sealing, smart thermostats, and replacement of furnaces, boilers, and water heaters. Additional measures that could improve efficiency, comfort, and safety and were not offered by Focus were also eligible under RAP.

RAP funding covered all remaining costs after Focus incentives were applied. Trade allies performing the work submitted all required documentation to Focus for incentives and submitted project invoices to WPSO for the remainder of the balance.

WPSO set an annual goal to weatherize 45 homes. The COVID-19 pandemic significantly hindered the new program’s operations in 2020 and 2021 and program operations in 2022 and 2023 saw more completions. The WPSO trade ally continued to hear uncertainty from customers who thought this offering was “too good to be true.” The trade ally encouraged the customer to contact the utility to verify that the program existed. Results from 2021 to 2023 are shown in Table 15 below.

Table 15: RAP Budget and Expenditures 2021-2023

Year	Budget Approved	RAP Expenditures	Units Complete	Average \$/Unit	Source
2021	\$300,000	\$62,170	10	\$6,217	PSC REF#: 434012
2022	\$300,000	\$111,874*	16	\$6,992	PSC REF#: 463348
2023	\$300,000	\$184,638	28	\$6,703	PSC REF#: 495075

*Administrative expenses to support the RAP pilot program in 2022 is not accounted for in the calculation of weatherization costs per unit. WPSO reports spending \$6,100 in administrative expenses for its pilot project in 2022. The total 2022 RAP expenditures including the pilot project was \$117,974.

WISCONSIN POWER & LIGHT COMPANY (ALLIANT ENERGY)

In 2023, Alliant continued to operate two voluntary programs:

- Enhanced Low-Income Weatherization Program (ELIWP)** provided bonus incentives to low-income customers participating in Focus’ Home Performance with Energy Star Program, at the Tier 2 level, which served customers at or below 80 percent of SMI. The program provided weatherization services such as insulation and air sealing as well as supported installation of efficient heating and cooling devices such as furnaces. Modeled on We Energies’ voluntary Residential Assistance Program ([PSC REF#: 330677](#)), ELIWP provided funding to cover all remaining project costs, beyond the Focus incentives, that would otherwise be paid by the participant, up to a cap of \$8,000 per project. ELIWP also paid for the full costs of other efficiency and safety measures identified during inspection of participant homes, including leak repairs, carbon monoxide detectors, and LED light bulbs.

There were no formal savings goals, but the program targeted customers with especially high natural gas usage in order to prioritize customers who may have been able to achieve the largest energy savings benefits. The goal was to reduce gas usage by an average of 200 therms per year per household. The program was designed to serve 50 customers per year, which makes the annual savings goal about 10,000 therms annually. ELIWP first launched in early 2018.

In 2023, the ELIWP served 49 customers who received services from Focus's Tier 2 incentive program. Fourteen of the customers live in single family homes while the remaining 35 customers live in a multi-family complex. ([PSC REF#: 495716.](#)) The program completed projects at 47 homes in 2021, and 64 homes in 2022. The drop in participation is due to a change in ownership for the main provider which caused a delay in completing projects at single family homes. However, WPL expects to see single family participation increase as the company's new ownership becomes familiar with the program. Additionally, WPL is seeking additional Focus-affiliated service providers to help create a larger pool of trade allies to complete projects in 2024.

WP&L budgeted \$400,000 for 2023 and expenditures were \$420,479. In 2023, the incentive amount was \$8,000, regardless of if the customer was single family or multi family. In 2024, WPL is distinguishing between the different property types and has adjusted the incentive levels.

- **Home Energy Monitoring Pilot** deployed energy monitors in customers' homes to measure energy usage multiple times per second, providing customers with real-time feedback on their energy usage so they can make behavioral changes to save energy. The monitors also disaggregated loads in order to provide customers with specific information on the usage level of each individual technology in their homes, which can help to identify inefficient technologies that could be targeted for replacement.

The Home Energy Monitoring Pilot has been implemented in multiple phases, with each phase having distinct objectives designed to gain an understanding of the potential for home energy monitoring devices across a range of residential customer segments. In its order of October 14, 2021, the Commission approved Phase Five of the Home Energy Monitoring Pilot to operate in 2022 and 2023. ([PSC REF#: 423096.](#)) Phase Five provided support and analysis to participants in prior phases and expanded the deployment of Sense Meters to an additional 500 homes in the Alliant service territory. This phase tested new, targeted energy saving applications of the monitoring technology and developed quantitative information on the ability of the technology to shift energy demand off-peak. Phase Five built off the findings from prior phases that included load disaggregation technology that has the potential to produce behavioral and device upgrade savings as well as identify end use loads that could be shifted off-peak. These customers could then participate in demand response initiatives and, for those customers on time-of-use rates, manage their energy bills. Phase Five also identified customers with electric vehicles to better understand charging patterns and the potential demand, cost, and emissions savings when charging patterns are adjusted. Finally, Phase Five sought to understand if remote energy monitoring can be used to identify high-use or faulty air conditioner equipment and encourage customers to replace these devices with high efficiency models.

The Commission ordered an Evaluation Report for the Home Energy Monitoring Pilot as a condition of its approval of Phase Five. ([PSC REF#: 426596.](#)) Alliant provided a Final Evaluation Report to the Commission in July 2024. The evaluation looked at various facets of the pilot including: average savings during the events, top devices

contributing to savings, and several aspects of customer satisfaction with the devices. The full report can be found at: ([PSC REF#: 508416.](#))

WISCONSIN HOME ENERGY ASSISTANCE PROGRAM (WHEAP) - WEATHERIZATION SERVICES

In order to present a more complete picture of energy efficiency and renewable activities in Wisconsin, this report also includes annual data on the Weatherization Assistance Program. The Division of Energy Housing and Community Resources (DEHCR), in the Department of Administration, contracts with various agencies throughout the state to provide weatherization services to eligible households. Households with incomes at or below 60 percent of the Wisconsin state median income (SMI) are eligible for services. Agencies include community action agencies, housing authorities, local governments, and other non-profit organizations. The goal of the weatherization program is to save energy by targeting households with an excessive energy burden and that are made up of customers who are elderly, handicapped, and/or children under six years of age.

If homeowners are eligible for weatherization services based on their WHEAP application, their application information will be referred to the local weatherization agency. Households selected for potential weatherization services will be contacted by the weatherization agency. The agency will then make arrangements to have an energy auditor look at their homes to see what can be done to make it more energy efficient. Weatherization services differ with each home depending on how it was built and its condition. Some common weatherization services include:

- Insulate attics, walls and floors;
- Insulate or replace water heater;
- Install energy efficient lighting;
- Reduce air leakage;
- Repair or replace furnace;
- Test and/or replace refrigerator;
- Perform a general health and safety inspection;
- Provide information about maintenance and energy conservation.

During the 2023 DOA program year, the weatherization program provided services to 5,136 units and expenditures were \$64,839,447. In addition, DEHCR replaced 2,116 furnaces and repaired 2,106 for total expenditures of \$12,776,271.

INFLATION REDUCTION ACT HOME ENERGY REBATE (IRA HER)

On August 16, 2022, President Joseph R. Biden signed the IRA into law (Pub. L. 117- 169).² In total, the law includes \$391 billion to support clean energy and address climate change. There are two provisions of the IRA that together authorize more than \$8.5 billion nationwide:

² INFLATION REDUCTION ACT OF 2022, PL 117-169, August 16, 2022, 136 Stat 1818; Inflation Reduction Act ([congress.gov](#))

- Section 50121 authorizes \$4.3 billion in formula grants to State Energy Offices to carry out the Home Energy Performance-Based, Whole-House Rebates (HOMES) program
- Section 50122 authorizes \$4.275 billion in formula grants to State Energy Offices to carry out the High-Efficiency Electric Home Rebate Program (HEEHRA)

Together, these provisions are referred to as the Home Energy Rebate (HER) programs. With both programs, the IRA establishes that the appropriated funds are to remain available through September 30, 2031.

The State Energy Office (SEO) was informed in January 2023 that it is eligible to receive the following estimated amounts in formula funding to implement the HER programs:³

- Section 50121 HOMES: **\$74,904,830**
- Section 50122 HEEHRA: **\$74,470,200**

In May 2023, the Commission ordered that the Focus program would be the implementer for the IRA HER programs and that the IRA programs and administration should be funded and managed separately and not included in the Focus portfolio. IRA program operations began in 2024 and will be detailed in next year's report.

³ State And Tribe Allocations for Home Energy Rebate Program | Department of Energy