

## PUBLIC SERVICE COMMISSION

<b>Budget Summary</b>							
Fund	2020-21 Base Year Doubled	2021-23 Governor	2021-23 Jt. Finance	2021-23 Legislature	2021-23 Act 58	Act 58 Change Over Base Year Doubled	
						Amount	Percent
GPR	\$0	\$155,600,000	\$0	\$0	\$0	\$0	0.0%
FED	5,669,400	5,960,200	5,960,200	5,960,200	5,960,200	290,800	5.1
PR	42,143,600	42,945,600	41,389,600	41,389,600	41,389,600	- 754,000	- 1.8
SEG	<u>57,036,000</u>	<u>17,041,000</u>	<u>17,041,000</u>	<u>17,041,000</u>	<u>17,041,000</u>	<u>- 39,995,000</u>	<u>- 70.1</u>
TOTAL	\$104,849,000	\$221,546,800	\$64,390,800	\$64,390,800	\$64,390,800	- \$40,458,200	- 38.6%
BR			\$125,000,000	\$125,000,000	\$125,000,000		

<b>FTE Position Summary</b>						
Fund	2020-21 Base	2022-23 Governor	2022-23 Jt. Finance	2022-23 Legislature	2022-23 Act 58	Act 58 Change Over 2020-21 Base
GPR	0.00	8.50	0.00	0.00	0.00	0.00
FED	11.75	11.75	11.75	11.75	11.75	0.00
PR	139.00	136.00	139.00	139.00	139.00	0.00
SEG	<u>4.00</u>	<u>4.00</u>	<u>4.00</u>	<u>4.00</u>	<u>4.00</u>	<u>0.00</u>
TOTAL	154.75	160.25	154.75	154.75	154.75	0.00

### Budget Change Items

### Broadband Provisions

#### 1. BROADBAND EXPANSION GRANTS [LFB Paper 525]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
GPR	\$147,734,100	- \$147,734,100	\$0
SEG	<u>4,000,000</u>	<u>0</u>	<u>4,000,000</u>
Total	\$151,734,100	- \$147,734,100	\$4,000,000
BR	\$0	\$125,000,000	\$125,000,000

**Governor:** Create an annual appropriation and provide \$74,793,100 GPR in 2021-22 and \$72,941,000 GPR beginning in 2022-23 for broadband expansion grants. Additionally, reestimate the transfer provided from unencumbered amounts in other universal service fund (USF) appropriations at \$2,000,000 USF SEG each year. Combined, the total amount budgeted for broadband expansion grants would be \$151,734,100 during the 2021-23 biennium.

Created in 2013, the broadband expansion grant program supports projects that increase broadband access and capacity in underserved areas of the state. Since its inception through January 1, 2021, the program has awarded \$49.6 million in grants to 221 projects. In the 2019-21 biennium, funding of \$44 million for broadband expansion grants was transferred to the USF on a one-time basis from federal e-rate funds under 2019 Act 9. Additional amounts of \$6.5 million were provided from year-end unencumbered amounts, or "sweeps," transferred from other USF appropriations, and \$5.4 million was awarded from the state's allocation from the federal Coronavirus Relief Fund. Although the bill removes one-time funding of \$44,000,000 SEG as a standard budget adjustment, the statutes provide a minimum of \$2,000,000 each year in ongoing funding for broadband expansion grants from USF sweeps and, if necessary, USF assessments on telecommunications providers. The reestimate would account for this minimum amount of annual funding.

**Joint Finance/Legislature:** Authorize the issuance of \$125,000,000 in general fund-supported general obligation bonds for broadband expansion grants, and include the reestimate of \$2,000,000 SEG each year for broadband expansion grants from year-end transfers of unencumbered amounts in universal service fund appropriations. Total funding provided for broadband expansion grants equals \$129,000,000 over the 2021-23 biennium.

Specify that the Legislature finds and determines that: (a) provision of broadband internet access is essential to the welfare of the citizens of this state and the economic development of this state, and therefore the provision of internet access is a governmental function and statewide responsibility of statewide dimension; and (b) sufficient private capital has been and continues to be unavailable to fulfill the need for development of broadband internet access in underserved and unserved areas of this state. Further, specify that it is in the public interest, and it is the public policy of this state, to assist internet service providers in providing access to high-speed internet to all residents of Wisconsin. Specify that the Building Commission may authorize the issuance of bonds for broadband expansion projects approved by the PSC. Specify that if, for any reason, bond funding provided for a broadband expansion grant is not used for that purpose, the state shall retain an ownership interest in the project equal to the amount of the state's grant.

[Act 58 Sections: 5, 115, 116, and 364]

## **2. BROADBAND EXPANSION GRANT ELIGIBILITY FOR MUNICIPALITIES**

**Governor:** Expand eligibility for broadband expansion grants to include municipalities that: (a) lack access to at least two broadband service providers; or (b) lack access to fixed wireless or wired service at speeds of at least 5 megabits per second (Mbps) download speed and 0.6 Mbps upload speed. Under current law, municipalities are only eligible to receive broadband expansion grants if they apply in partnership with a telecommunications utility or other organization.

**Joint Finance/Legislature:** Provision not included.

**3. STATE BROADBAND OFFICE APPROPRIATION [LFB Paper 526]**

	<b>Governor (Chg. to Base)</b>		<b>Jt. Finance/Leg. (Chg. to Gov)</b>		<b>Net Change</b>	
	<b>Funding</b>	<b>Positions</b>	<b>Funding</b>	<b>Positions</b>	<b>Funding</b>	<b>Positions</b>
GPR	\$1,679,300	6.50	-\$1,679,300	- 6.50	\$0	0.00
PR	<u>-1,183,000</u>	<u>- 5.50</u>	<u>1,183,000</u>	<u>5.50</u>	<u>0</u>	<u>0.00</u>
Total	\$496,300	1.00	-\$496,300	- 1.00	\$0	0.00

**Governor:** Convert funding for the State Broadband Office from PR to GPR and increase funding and positions for the Office by: (a) creating a new appropriation and providing \$808,900 GPR in 2021-22 and \$870,400 GPR in 2022-23 with 6.5 GPR positions; and (b) deleting \$591,500 PR each year and 5.5 PR positions. Under current law, the State Broadband Office is supported by the Commission's general utility regulation PR appropriation, which is funded by assessments imposed on all utilities in proportion to their gross revenue.

**Joint Finance/Legislature:** Provision not included.

**4. BROADBAND LINE EXTENSION GRANTS [LFB Papers 525 and 526]**

	<b>Governor (Chg. to Base)</b>		<b>Jt. Finance/Leg. (Chg. to Gov)</b>		<b>Net Change</b>	
	<b>Funding</b>	<b>Positions</b>	<b>Funding</b>	<b>Positions</b>	<b>Funding</b>	<b>Positions</b>
GPR	\$5,413,400	1.00	-\$5,413,400	- 1.00	\$0	0.00

**Governor:** Create a broadband line extension grant program, and provide grant funding of \$1,750,000 in 2021-22 and \$3,500,000 beginning in 2022-23. Authorize the Commission to make grants of up to \$4,000 to residents of properties not served by a broadband service provider to assist in paying customer costs associated with connecting to broadband service. Allow the Commission to establish criteria for evaluating applications and awarding grants, and require the Commission to give priority to grants for properties of primary residence. Provide \$71,900 in 2021-22 and \$91,500 in 2022-23 with 1.0 position to administer the program. Provide funding as part of the State Broadband Office appropriation created in another item.

**Joint Finance/Legislature:** Provision not included.

**5. BROADBAND CONNECTOR PROGRAM AND BROADBAND PLANNING GRANTS [LFB Paper 525]**

	<b>Governor (Chg. to Base)</b>	<b>Jt. Finance/Leg. (Chg. to Gov)</b>	<b>Net Change</b>
GPR	\$600,000	-\$600,000	\$0

**Governor:** Provide \$300,000 each year for broadband planning grants of up to \$50,000 per recipient to municipalities, school districts, tribal governments, regional planning commissions, nonprofit organizations, and local economic development organizations to conduct planning activities related to broadband, including feasibility engineering, adoption planning, and digital inclusion activities. Additionally, authorize the PSC to provide training, technical assistance, and information related to broadband engineering and deployment. The bill terms the combined grant and technical assistance components the broadband connector program. Grant and technical assistance funding would be provided under the State Broadband Office appropriation.

**Joint Finance/Legislature:** Provision not included.

**6. REPORTING OF BROADBAND SERVICE BY LOCATION [LFB Papers 525 and 526]**

	<b>Governor (Chg. to Base) Funding Positions</b>		<b>Jt. Finance/Leg. (Chg. to Gov) Funding Positions</b>		<b>Net Change Funding Positions</b>	
GPR	\$173,200	1.00	-\$173,200	- 1.00	\$0	0.00

**Governor:** Require each internet service provider in Wisconsin to report to the PSC by April 1 each year the properties it serves, the average minimum download and upload speeds at which it provides service to those properties, and a description of its service territory. Direct the PSC to use information collected to compile maps of broadband service and facilitate access to broadband service. Specify that competitive information collected be exempt from disclosure under the state open records law if the Commission determines that public disclosure is not necessary to compile broadband maps and facilitate access to broadband service. Additionally, provide \$76,100 in 2021-22 and \$97,100 in 2022-23 with 1.0 position to administer this provision.

Currently, data on broadband service and speed is reported by internet service providers to the Federal Communications Commission. Service reporting reflects the highest speed offered to any single property in a census block, which may not be universally available in that block. The provision is intended to generate data for the PSC's mapping and programmatic purposes that would offer greater resolution for determining broadband service coverage and grant eligibility.

**Joint Finance/Legislature:** Provision not included.

**7. MUNICIPAL BROADBAND FACILITIES IN UNDERSERVED OR UNSERVED AREAS**

**Governor:** Modify provisions relating to municipal broadband facilities to create separate requirements for broadband facilities that are intended to serve areas defined as underserved or unserved under broadband expansion grant program eligibility criteria.

Under current law, no city, village, or town may enact an ordinance or adopt a resolution authorizing the municipality to construct, own, or operate any facility for providing video service,

telecommunications service, or broadband service to the public unless certain public hearing, notice, revenue and cost reporting, and cost-benefit analysis requirements are met. Specifically, municipalities are to provide personnel costs and costs of acquiring, installing, maintaining, repairing, or operating any plant or equipment. Additionally, municipalities are to include an appropriate allocated portion of costs of personnel, plant, or equipment that are used to provide jointly both telecommunications services and other services. The bill would specify that a municipal broadband facility that serves an underserved or unserved area would not have to provide information on these specific costs.

Also under current law, the public hearing, notice, revenue, and cost reporting requirements do not apply to cases in which the municipality in writing solicits responses from area broadband providers as to whether the provider offers service in the municipality's boundaries, or intends to offer service in the area within nine months, and one of the following occurs: (a) no persons respond to the municipality's request within 60 days; (b) all respondents who purport to offer service are found not to offer service; or (c) a person intending to offer service within nine months does not meet such a time limit. The bill would specify: (a) for unserved or underserved areas, a provider would have to expect to offer service within three months; and (b) a person must actively plan to offer service within either the nine- or three-month limit.

Further, current law provides public hearing, notice, revenue, and cost reporting requirements are not required for a broadband service facility if the following apply: (a) the municipality itself does not use the facility to provide service to end users; and (b) the municipality determines at the time the facility is authorized that the facility does not compete with more than one broadband service provider. The bill would amend the provisions to specify facilities intended for unserved or underserved areas would not have to meet these requirements. The bill would not change a requirement that a municipality must offer use of the facility on a nondiscriminatory basis to persons who provide broadband service to end users of the service.

**Joint Finance/Legislature:** Provision not included.

## **8. USE OF ELECTRIC TRANSMISSION EASEMENT FOR BROADBAND SERVICE**

**Governor:** Specify that an electric provider may use an easement it holds to install or maintain broadband service infrastructure, including allowing a broadband service provider to use that easement, except if the easement applies to property owned by the state or a municipality, or if the easement expressly prohibits use of the property for broadband purposes. Further, allow an electric provider to lease or otherwise provide to a broadband service provider any excess capacity in the electric provider's broadband infrastructure. Specify that these allowances do not exempt providers from state or federal law requirements related to siting or provision of broadband service.

*Definitions.* Define electric provider as a public utility or cooperative that generates, transmits, or distributes wholesale or retail electric energy to its customers or members. Define broadband infrastructure as property that can be used to facilitate, originate, send, and receive high-quality voice, data, graphics, and video communications, including only the following: (a) materials; (b) wires; (c) cables, including optical fiber or copper and regardless of whether they are currently in use; (d) conduits; (e) antennas; (f) equipment; (g) fixtures; (h) multiplexors

(analog/digital switches); (i) poles; (j) routers; (k) switches; (l) servers; (m) appurtenances; (n) facilities; and (o) ancillary or auxiliary equipment. For the purposes of this proposal, exclude from the definition of broadband infrastructure new poles or towers used exclusively for the provision of broadband service.

*Providing Notice.* Require that an electric provider must make a reasonable effort to provide notice to the property owner at least 30 days prior to using an easement for broadband service purposes. Specify that the notice include: (a) identification of the property subject to the easement; (b) a statement that the provider intends to install or use broadband infrastructure consistent with this provision; (c) an estimate of when the installation or use of the easement will begin; (d) notice that the electric provider may record the authorized use of the easement for broadband services with the register of deeds; and (e) notice that the property owner may not bring an action against the electric provider for use of the easement consistent with this provision more than one year after the date of notice. After 30 days of providing notice, allow the electric provider to record with the register of deeds its authority to use the property for broadband service purposes. Specify that the record include information about the easement and the authority to use the easement under this provision.

*Dispute of Appraisal and Damages.* Within one year of the original filing of notice or recording of the amended easement, allow an owner of property with an easement used for broadband service purposes to provide the easement holder with an appraisal from a licensed appraiser reporting the value of property lost due to its use for broadband service purposes. Require the easement holder to pay the owner for the lost value, as determined by the appraisal, unless the holder disputes the appraisal within 90 days and provides an alternative appraisal. If an alternative appraisal is offered but not accepted, allow an owner 30 days to bring action against the easement holder for that appraised difference. Limit damages allowable for loss in real property associated with this provision to only the difference in appraised value immediately before and after installation of broadband service using the easement.

*Prior Use of Easements.* Specify that no use of an easement for broadband service purposes prior to the effective date of the bill, or a lease of excess capacity by the electric provider to a supplier of broadband services, may be disputed by a property owner more than one year after the effective date of the bill.

**Joint Finance/Legislature:** Provision not included.

## **9. INTERNET SERVICE PROVIDER REGISTRATION**

**Governor:** Require that any person providing internet service in Wisconsin register with the PSC by December 31, 2021.

**Joint Finance/Legislature:** Provision not included.

## **10. BROADBAND CONSUMER PROTECTIONS**

**Governor:** Create certain requirements for broadband service providers related to access

for low-income subscribers, discrimination, advertising standards, adequacy of service, notices for interruption of service, and billing practices. These consumer protections would be administered by the Department of Agriculture, Trade and Consumer Protection.

**Joint Finance/Legislature:** Provision not included.

## Departmentwide and Energy Programs

### 1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 101]

	Governor (Chg. to Base)	Jt. Finance/Leg. (Chg. to Gov)	Net Change
PR	\$34,400	- \$188,400	- \$154,000
FED	290,800	0	290,800
SEG	<u>- 43,995,000</u>	<u>0</u>	<u>- 43,995,000</u>
Total	- \$43,669,800	- \$188,400	\$43,858,200

**Governor:** Provide adjustments to the agency base budget for the following: (a) reductions for staff turnover (-\$282,800 PR each year); (b) full funding of continuing position salaries and fringe benefits (\$298,200 PR, \$133,700 FED, and -\$5,100 SEG each year); (c) reclassifications and semi-automatic pay progression (\$19,500 PR each year); (d) full funding of lease and directed moves costs (-\$17,700 PR, \$11,700 FED, and \$7,600 SEG each year); and (e) removal of noncontinuing elements from the base (-\$22,000,000 USF SEG each year).

**Joint Finance/Legislature:** Increase the rate used to calculate turnover reduction from 3% to 4% for all appropriations subject to a 3% turnover rate under the Governor's recommended budget. Reduce funding under the turnover reduction standard budget adjustment by \$94,200 PR annually.

### 2. FOCUS ON ENERGY CONTRIBUTION RATE

**Governor:** Increase from 1.2% to 2.4% the required energy utility contribution of annual operating revenues to fund statewide energy efficiency and renewable-resource programs. Wisconsin investor-owned utilities, and select municipal utilities and cooperatives, collectively operate a statewide energy efficiency and renewable resource program known as Focus on Energy (Focus). Focus provides incentives, technical resources, and information to help residential and business customers reduce energy consumption and its resulting environmental impacts through conservation, energy efficiency practices, and implementation of new technology.

PSC estimates the proposal would increase funding for Focus programs by \$100 million annually. While mandated by statute, Focus is administered directly by a nonprofit constituting participating utilities, and any revenue generated from the contribution requirement is not subject to the state budget process. In calendar year 2019, Focus collected revenues of \$101.8 million.

**Joint Finance/Legislature:** Provision not included.

**3. FOCUS ON ENERGY PROGRAMS FOR LOW-INCOME HOUSEHOLDS**

**Governor:** Require programs administered as part of Focus on Energy to promote energy efficiency and renewable energy activities for low-income households, defined as those with income below 60% of statewide median income (currently estimated at \$57,500 for a family of four), including initiatives and market strategies to address the energy needs and decrease the energy burden on such households. Further, require the Commission to promulgate rules establishing minimum requirements for Focus programs for low-income households, including eligibility requirements for such programs.

**Joint Finance/Legislature:** Provision not included.

**4. WATER UTILITY TRAINING AND DATA REPORTING [LFB Paper 535]**

	<b>Governor (Chg. to Base) Funding Positions</b>		<b>Jt. Finance/Leg. (Chg. to Gov) Funding Positions</b>		<b>Net Change Funding Positions</b>	
PR	\$2,476,500	2.00	-\$2,476,500	- 2.00	\$0	0.00

**Governor:** Provide \$1,342,200 in 2021-22 and \$1,134,300 in 2022-23 with 2.0 positions from the PSC's general utility regulation appropriation to support PSC oversight of water utilities. The administration indicates funding is intended to support a water conservation training program for utilities serving greater than 3,300 residents, and to support modernization of water utility data reporting for use in oversight activities.

**Joint Finance/Legislature:** Provision not included.

**5. INTERVENOR COMPENSATION FOR CITIZENS UTILITY BOARD [LFB Paper 536]**

PR	- \$600,000
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**Governor:** Delete \$300,000 each year of the biennium typically provided as a grant under the intervenor compensation program to the Citizens Utility Board (CUB) to support its operating costs related to advocating for the interests of utility ratepayers. Instead, establish a statutory process under which CUB would annually submit a budget of up to \$900,000 to the PSC for modification and approval.

Create a legislative declaration that it is in the public interest to have an independent, nonpartisan advocate for residential, small commercial, and small industrial utility customers, and that the advocate be sufficiently funded to represent those customers' interests before the PSC. Require the Commission to approve the CUB budget if it is consistent with the legislative declaration, and if the budget would cover salaries, fringe benefits, overhead expenses, and other necessary costs of representing the interests of energy utility customers. Specify that if the



Commission does not take action on the request within 60 days of submittal, the request is considered approved. Prohibit use of funds provided to CUB under this process for costs related to lobbying or participation in proceedings related to only municipal utilities, and require CUB to maintain records of expenditures for at least three years after receipt of funding. Require the Commission to review the use of funds provided under this provision.

Specify that if the budget were approved by the Commission, within 60 days of approval, investor-owned utilities in Wisconsin would provide payment directly to CUB for their proportionate share of the budget based on the number of residential, small commercial, and small industrial meters served, and that those contributions are to be recovered by utilities from ratepayers. In addition to funding under the general operations grant, CUB has regularly applied for and received reimbursement for costs accrued from intervening in specific cases before the Commission. The proposal would cap funding provided to CUB for participation in specific cases at \$100,000 annually.

The Citizens Utility Board was originally created under Chapter 199 of the statutes, but later converted to a nonprofit corporation. Under current law, the Commission may provide grants of up to \$300,000 each year to nonstock, nonprofit corporations with a history of advocating on behalf of ratepayers to cover a portion of the corporations' operating costs. While other entities are eligible, only CUB has received funding under the provision, which has totaled \$2.4 million since its enactment in 2009-10.

**Joint Finance/Legislature:** Retain deletion of \$300,000 each year from the intervenor compensation appropriation associated with the now-repealed grant to the Citizens Utility Board, but delete obsolete bill language associated with the proposed alternate funding mechanism. (Subsequent to the introduction of AB 68/SB 111, 2021 Wisconsin Act 24 incorporated a generally similar provision to provide funding of up to \$900,000 directly to the Citizens Utility Board.)

## 6. LOW-INCOME ADVOCATE INTERVENOR COMPENSATION

**Governor:** Modify the intervenor compensation program to establish a set-aside of \$50,000 annually for intervenors in Commission proceedings dedicated to advocating for low-income populations on economic and environmental issues. The intervenor compensation program provides financial assistance to organizations and individuals who choose to become an intervenor for a Commission proceeding. Organizations or individuals granted intervenor status may submit testimony and exhibits at hearings, which become part of the record considered by the Commission in making decisions. Intervenor financing is provided through assessments on utilities involved in a given proceeding.

**Joint Finance/Legislature:** Provision not included.

## 7. EQUITY OFFICER POSITION

	<u>Governor</u> <u>(Chg. to Base)</u> Funding Positions		<u>Jt. Finance/Leg.</u> <u>(Chg. to Gov)</u> Funding Positions		<u>Net Change</u> Funding Positions	
PR	\$74,100	0.50	-\$74,100	- 0.50	\$0	0.00

**Governor:** Provide \$30,400 in 2021-22 and \$43,700 in 2022-23 with 0.5 position to create an agency equity officer funded from the Commission's general utility regulation appropriation. The agency equity officer would be responsible for coordinating with other agency equity officers and identifying opportunities to advance equity in government operations. [See "Administration - General Agency Provisions."]

**Joint Finance/Legislature:** Provision not included.

## 8. SOCIAL COST OF CARBON

**Governor:** Require PSC to consider the social cost of carbon in approving utility construction projects, such as those for electricity generation facilities and transmission lines. Define social cost of carbon as a measure of the cost in dollars of economic and other harm resulting from the emission of one ton of carbon dioxide into the atmosphere. Require PSC, in consultation with the Department of Natural Resources, to biennially determine the social cost of carbon using integrated assessment models and appropriate discount rates. Require that the determined social cost of carbon be consistent with international consensus. Require PSC to submit a report biennially to relevant standing committees of the Legislature that describes the Commission's evaluation and established price. Specify that this provision first applies to applications for PSC approvals filed on December 31, 2021.

**Joint Finance/Legislature:** Provision not included.

## 9. UTILITY FINANCING OF ENERGY IMPROVEMENTS

**Governor:** Allow the PSC to create a program by which a utility may offer financing for energy improvements at a location it serves, and collect repayments through a surcharge on that customer's utility bill. If the PSC intends to implement such a program, require it to promulgate rules to do so.

**Joint Finance/Legislature:** Provision not included.

## 10. MODEL ORDINANCE FOR PROPERTY ASSESSED CLEAN ENERGY PROGRAMS

**Governor:** Require the PSC to create a model ordinance for municipalities to use in implementing property assessed clean energy (PACE) programs. PACE programs allow a

municipality to offer loans for investment in property improvements that are repaid through special assessments by the municipality on the improved property. PACE programs allow financing associated with improvements to remain assigned to a property, regardless of owner. Require that the ordinance address making loans or other agreements for installation of energy efficiency improvements, water efficiency improvements, and use of renewable resources at a premises. Further, allow Focus on Energy program offerings to include advertising PACE programs.

**Joint Finance/Legislature:** Provision not included.

## **11. FINANCING FOR RETIREMENT OF NONRENEWABLE GENERATING FACILITIES**

**Governor:** Allow energy utilities to issue bonds to finance costs related to retiring a generation facility that uses nonrenewable combustible resources, such as coal or natural gas. Under the bill, the utility would apply to the Commission to issue such bonds, and repay them with the future revenues from its services. Under current law, a utility may issue bonds to finance costs related to retiring, or installing equipment at, a generation facility to prevent or control environmental pollution produced by that facility.

**Joint Finance/Legislature:** Provision not included.

## **12. VOLUNTARY INNOVATIVE TECHNOLOGY PROGRAM**

**Governor:** Authorize an energy utility, with approval from the PSC, to operate an innovative technology program from rates charged by the utility, or another financing method approved by the Commission. Prohibit the Commission from requiring a utility to operate such a program. Require the PSC to include a pilot period for any approved innovative technology program, after which the Commission would evaluate the program to establish or modify performance criteria for the program. Allow a utility that begins an innovative technology program to request, at any time, PSC approval for modification or discontinuation of the program. Require the Commission to promulgate rules to implement programs under this provision.

The bill does not specify what would constitute innovative technologies, although the administration indicates the program is intended to support development of electricity storage technology and microgrids to pursue the Governor's goal that utilities in Wisconsin invest \$100 million in such technology over the next five years.

**Joint Finance/Legislature:** Provision not included.

## **13. INCREASE PIPELINE SAFETY PENALTY**

**Governor:** Increase the penalty for violation of PSC regulations on the safe production, transmission, and distribution of natural gas from a maximum of \$25,000 to a maximum of \$200,000 per instance (or each day of violation). Further, increase the cap on penalties for a single persistent violation from \$500,000 to \$2,000,000. Clarify that such penalties are to be deposited

into the common school fund.

**Joint Finance/Legislature:** Provision not included.

#### **14. NONUTILITY ELECTRIC VEHICLE CHARGING STATIONS**

**Governor:** Exempt from the definition of public utility those persons that provide electricity only at electric vehicle charging stations for use in an electric vehicle. Under current law, such provision of electricity would be subject to the same regulation as a utility providing electricity service.

**Joint Finance/Legislature:** Provision not included.

#### **15. TRANSFER ADMINISTRATION OF HIGH-VOLTAGE IMPACT FEES**

**Governor:** Transfer administration of one-time environmental impact fees and annual impact fees paid by persons granted certificates of public convenience and necessity for construction and operation of high-voltage transmission lines from the Department of Administration (DOA) to the PSC.

Under current law, owners of high-voltage transmission lines make a one-time payment equal to 5% of the cost of the transmission line, and annual payments equal to 0.3% of the cost of the transmission line to DOA, which then distributes the amounts in a proportional manner to local governments affected by the transmission line.

**Joint Finance/Legislature:** Provision not included.