

BEFORE THE
PUBLIC SERVICE COMMISSION OF WISCONSIN

Revisions to Strategic Energy Assessment Time Periods

1-AC-212

ORDER ADOPTING FINAL RULES

The Public Service Commission of Wisconsin adopts an order to amend ss. PSC 111.03(1)(title), (a) and (b), PSC 111.03(3)(b), PSC 111.11(2)(a)1. to 6., PSC 111.13(2), PSC 111.21(1)(c), PSC 111.21(1)(d)(intro.), PSC 111.21(1)(e)(intro.), PSC 111.21(1)(f), PSC 111.23(2)(intro.), PSC 111.25(2), PSC 111.31(1), PSC 111.33, PSC 111.35(intro.), PSC 111.43(1)(intro.), PSC 111.43(3)(a)(intro.), and PSC 111.43(4), Wis. Adm. Code, relating to rules concerning the time period covered by a strategic energy assessment.

ANALYSIS PREPARED BY

THE PUBLIC SERVICE COMMISSION OF WISCONSIN

Statutory authority: ss.196.02(3), 196.491(2)(ag) and 227.11(2), Stats.
Statute interpreted: s.196.491(2), Stats.

Section 196.491(2)(a), Stats., directs the Commission to prepare a strategic energy assessment (SEA) every two years. The statute also directs the Commission to promulgate rules that establish procedures for reporting information necessary to prepare an SEA. Those rules have been promulgated as ch. PSC 111, Wis. Adm. Code.

Each SEA is intended to evaluate the adequacy and reliability of the state's current and future electrical supply. Although the statute directs the Commission to specifically identify utility electric generating facility and high-voltage transmission line construction plans within a

three year period (s. 196.491(2)3. and 3m, Stats.), a three year planning horizon for SEA purposes does not adequately provide the Commission sufficient data to assess future electric reliability, given the lead times needed to plan a project, obtain necessary approvals, and actually construct generating or transmission facilities.

Current Chapter PSC 111 describes the types of data the Commission collects to prepare each SEA and the time periods the data should cover. Currently, the time period runs for three years, the two years covered in the SEA and one succeeding year. This rulemaking revises the time period to be covered by SEA data. The rule will generally extend the period covered by an SEA from three to seven years. However, for average energy production cost data, the time period will remain at three years, as cost uncertainty grows the further out the cost data is forecasted.

The rules also modify the date by which data submissions are due at the Commission. Currently, data is due no later than February 15 of even-numbered years. This rulemaking changes that date to September 15 of odd-numbered years. This change will permit the collection and analysis of data, and the issuance of a SEA, on a more timely basis.

TEXT OF FINAL RULES

1 SECTION 1. PSC 111.03(1)(title), (a) and (b) are amended to read:

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3 **PSC 111.03(1)** (title) ~~THREE-YEAR~~ SEVEN-YEAR PERIOD ENCOMPASSING THE SEA. (a) The SEA
4 is biennial, covering 2 calendar years. All data required in subch. II, III, IV or V to be filed for
5 the ~~3-year~~ 7-year period encompassing the SEA shall cover this 2-year period, plus ~~one~~ 5

1 succeeding calendar ~~year~~ years, or fewer succeeding calendar years if a shorter time period is
2 stated.

3
4 **PSC 111.03(1)(b)** The first SEA shall cover the period commencing January 1, 2000, and
5 ending on December 31, 2001. ~~The 3-year period encompassing the initial SEA shall cover~~
6 ~~January 1, 2000, through December 31, 2002.~~

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8 SECTION 2. PSC 111.03(3)(b) is amended to read:

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11 **PSC 111.03(3)(b)** Subsequent submissions of data shall occur biennially, no later than ~~February~~
12 September 15 of each ~~even-numbered~~ odd-numbered year.

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14 SECTION 3. PSC 111.11(2)(a)1. to 6. are amended to read:

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17 **PSC 111.11(2)(a)1.** Monthly peak demand data for the ~~3-year~~ 7-year period encompassing the
18 SEA, including responsibility for power losses. Any loss responsibility associated with the
19 delivery of purchased capacity shall be separately identified.

20 2. The reduction in the summer and winter peak demand, for any of the ~~3~~ years
21 encompassing the SEA, due to direct load control programs that allow system operators to
22 manage customer loads.

23 3. The reduction in the summer and winter peak demand, for any of the ~~3~~ years
24 encompassing the SEA, due to the interruption of customer load by tariff or contract.

25 4. The effect on summer and winter peak demand, for any of the ~~3~~ years encompassing
26 the SEA, due to each capacity sale including reserves that affects peak demand.

1 5. The effect on summer and winter peak demand, for any of the 3 years encompassing
2 the SEA, due to each capacity purchase including reserves that affects peak demand. Any part of
3 a purchase intended to compensate for transmission losses associated with delivery of the
4 purchase shall be separately identified. For each out-of-state capacity purchase including
5 reserves cited under this paragraph, the buyer shall demonstrate that the seller is treating its sale
6 with the same priority as the electrical demand that the seller is legally obligated to serve.

7 6. The effect on summer and winter peak demand, for any of the 3 years encompassing
8 the SEA, due to any arrangements other than those specified in subds. 1. to 5., that also affect
9 peak demand in Wisconsin.

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11 SECTION 4. PSC 111.13(2) is amended to read:

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13 **PSC 111.13(2) DATA SUBMISSION.** Each electricity provider, except operators of wholesale
14 merchant plants, shall calculate adjusted electric demand for the ~~3-year~~ 7-year period
15 encompassing the SEA and submit the results to the commission. Any transmission loss
16 responsibility associated with delivery of a particular capacity purchase including reserves, as
17 defined in s. PSC 111.11 (1) (a), shall be separately identified. All miscellaneous demand
18 factors that decrease peak demand shall be deductions when calculating adjusted electric
19 demand. All miscellaneous demand factors that increase peak demand shall be additions when
20 calculating adjusted electric demand.

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22 SECTION 5. PSC 111.21(1)(c) is amended to read:

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1 **PSC 111.21(1)(c)** A complete identification and description of each unit’s net rated capacity
2 that the electricity provider intends to retire during the ~~3-year~~ 7-year period encompassing the
3 SEA, including the month and year of expected retirement.

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5 SECTION 6. PSC 111.21(1)(d)(intro.) is amended to read:

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7 **PSC 111.21(1)(d)(intro.)** A complete identification and description of each generating addition
8 the electricity provider proposes to commence constructing during the ~~3-year~~ 7-year period
9 encompassing the SEA, including all of the following:

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11 SECTION 7. PSC 111.21(1)(e)(intro.) is amended to read:

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13 **PSC 111.21(1)(e)(intro.)** A complete identification and description of each expected capacity
14 change at existing generating units during the ~~3-year~~ 7-year period encompassing the SEA,
15 including all of the following:

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17 SECTION 8. PSC 111.21(1)(f) is amended to read:

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20 **PSC 111.21(1)(f)** A complete identification and description of each supply factor that is not
21 covered by pars. (a) to (e), but also affects electric power supply during peak demand in
22 Wisconsin for the ~~3-year~~ 7-year period encompassing the SEA.

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24 SECTION 9. PSC 111.23(2)(intro.) is amended to read:

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1 **PSC 111.23(2)**(intro.) CAPACITY PURCHASES OR SALES WITHOUT RESERVES. Each electricity
2 provider, except operators of wholesale merchant plants, shall submit for the ~~3-year~~ 7-year
3 period encompassing the SEA, summer and winter peak data listing all of the following data:

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5 SECTION 10. PSC 111.25(2) is amended to read:

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7 **PSC 111.25(2)** DATA SUBMISSION. Each electricity provider, except operators of wholesale
8 merchant plants, shall calculate electric power supply for the ~~3-year~~ 7-year period encompassing
9 the SEA and submit the results to the commission. Any part of a capacity purchase without
10 reserves, as defined in s. PSC 111.23 (1) (a), that is intended to compensate for transmission
11 losses associated with delivery of that purchase, shall be excluded from the calculation of
12 electricity power supply. All miscellaneous supply factors that decrease supply resources shall
13 be deducted from electric power supply. All miscellaneous supply factors that increase supply
14 resources shall be added to electric power supply.

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16 SECTION 11. PSC 111.31(1) is amended to read:

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18 **PSC 111.31(1)** AVERAGE ENERGY PRODUCTION COST. The electricity provider's average energy
19 production cost for each type of generating unit, including nuclear, coal-fired, gas simple-cycle,
20 gas combined-cycle, diesel and renewable units. The electricity provider shall specify the
21 expected range of energy production cost by unit type for each year in ~~the~~ a 3-year period
22 encompassing the SEA and one succeeding calendar year.

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24 SECTION 12. PSC 111.33 is amended to read:

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1 **PSC 111.33 Pollutant data.** Each electricity provider shall submit, for the ~~3-year~~ 7-year period
2 encompassing the SEA, the annual average level of emissions identified in s. PSC 111.21 (1) (a)
3 6., per kWh of output.

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5 SECTION 13. PSC 111.35 (intro.) is amended to read:

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7 **PSC 111.35 Energy conservation data.** (intro.) Any electricity provider, except self-providers
8 and operators of wholesale merchant plants, that provides rate-based energy efficiency programs
9 to Wisconsin customers directly or by contracting, shall provide all of the following energy
10 conservation activity data and information for the ~~3-year~~ 7-year period encompassing the SEA:

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12 SECTION 14. PSC 111.43(1)(intro.) is amended to read:

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14 **PSC 111.43(1)(intro.) NEW HIGH VOLTAGE TRANSMISSION LINES.** A complete description of
15 each high-voltage transmission line that the transmission provider intends to own in whole or in
16 part, on which construction is planned to commence within ~~3~~ 7 years, including all of the
17 following:

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19 SECTION 15. PSC 111.43(3)(a)(intro.) is amended to read:

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21 **PSC 111.43(3)(a)(intro.)** For each of the ~~3~~ 7 years encompassing the SEA, the most recent
22 power flow base case undertaken by the reliability council in which the transmission provider is
23 located, for each of the following conditions:

24
25 SECTION 16. PSC 111.43(4) is amended to read:

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1 **PSC 111.43(4)** USE OF THE TRANSMISSION SYSTEM. If the transmission provider charges a
2 tariffed amount for use of its transmission system, monthly data, for the ~~3-year~~ 7-year period
3 encompassing the SEA, on total transfer capability, available transfer capability and confirmed
4 reservations for the use of the transmission system. Total transfer capability and available
5 transfer capability shall be calculated in accordance with the provider's obligations, under
6 18 CFR Part 37, to calculate these values. Reservation data under this subsection shall concern
7 only those reservations that are firm and of monthly duration or longer. Data shall include any
8 transmission margins applied in the calculation of available transfer capability and any other use
9 of the transmission system relevant to the calculation of monthly available transfer capability,
10 including use by the transmission provider to meet existing commitments.

11 SECTION 17. INITIAL APPLICABILITY This rule first applies to strategic energy assessments
12 prepared after December 31, 2004.

13 SECTION 18. EFFECTIVE DATE These rules takes effect as provided in s. 227.22 (2) (intro.), Stats.

14 (end)

THE COMMISSION ORDERS:

These rules shall take effect on the first day of the month following publication in the
Wisconsin Administrative Register as provided in s. 227.22(2)(intro.), Stats.

Dated at Madison, Wisconsin, _____

By the Commission:

Christy L. Zehner
Secretary to the Commission