



SCOTT KRUG

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TO: Assembly Committee on Energy and Utilities
FROM: Rep. Scott Krug
RE: 2023 Assembly Bill 258
DATE: February 14, 2024

Chairman Steffen and members of the Committee, thank you for holding a public hearing today on 2023 Assembly Bill 258. AB 258 would create in law “Community Solar electrical generation” projects. This change will open a new market sector in the energy industry, attract economic investments in Wisconsin, create local jobs, drive innovation and competition, and ultimately save consumers and small businesses money on their energy bills. It would also give local governments the “say” they deserve on the location of solar projects within their jurisdictions.

Community solar can help families, businesses, farms, nonprofits, schools, and other community members directly participate in and receive the benefits from an offsite solar project connected to the power grid. Participants can subscribe to a portion of a solar project and receive credit on their electricity bill for the power produced, just as if the panels were on their roof. The bill would open up the benefits of solar generation to people whose own properties may not be able to host enough solar panels to do their own project. It’s a simple solution: If you can’t do something on your own, form a community. Hence, Community Solar.

Community solar projects can be located almost anywhere and are often placed on small parcels of under-utilized farmland. These sites are commonly around 30 acres in size, easily fitting into the community and serving as stable sources of income through land leases for farmers and landowners.

Community solar uses private dollars to create jobs and lower energy costs for businesses at no cost to state or local governments. This legislation specifically forbids community solar developers from receiving state subsidies for generating electricity from a renewable energy resource, in addition to prohibiting these developments from receiving any benefit from a tax incremental district.

This bill requires that community solar developers pay for all the costs to interconnect to the

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utility grid, requiring that projects be bonded to restore the land to its previous use at the end of the project term, and directing the Public Service Commission take into account the costs and benefits of these programs when setting a bill credit.

I support solar energy. It's part of our energy future. However, we have many needs for land in Wisconsin. Not all land is necessarily appropriate for large solar generation facilities. I have one such facility in my district, another is proposed for my own town in Adams County, and yet another is underway in a nearby town in Portage County.

I want to talk a little about the local land-use aspect of solar generation siting. We all have constituents whom we represent. I happen to be a local government official, serving on the county board in Adams County.

It is the local aspect that attracts me to community solar. The bill before you now, would require a two-thirds affirmative vote by the local government to approve community solar projects. This allows citizen input and local control. The bill also specifies that community solar facilities are subject to the zoning ordinances applicable to the parcels on which they are located. We can live with solar energy generation, but when local governments pass zoning ordinances they do so at the behest of residents. Those residents count on zoning to preserve the feel of their neighborhoods and to help preserve the value of their own adjacent properties.

AB 258 would also establish that community solar facilities of subscriber organizations would be subject to property taxation. Under current law, a person engaged in generating electricity for others is exempt from property taxation but is instead subject to a tax based on gross revenues.

AB 258 is the subject of fiscal notes from the Wisconsin Department of Revenue and from the Wisconsin Public Service Commission. Both fiscal notes conclude that actual costs to the agencies to implement the bill are minimal.

Community solar projects are allowed in over 20 states. Our legislation provides Wisconsin customers with the opportunity to save money and harness locally produced renewable energy. Community solar will increase energy options for residents and small businesses, provide for local control, spur economic growth across Wisconsin and lead to bill savings for Wisconsin taxpayers.

Finally, please know that the technicalities of community solar are knowable. I am not the person best able to explain all of them, so we have arranged for a number of people to speak today who have expertise on the questions you may have on AB 258. Please avail yourselves of them today.

I thank the committee for its interest in AB 258 and I urge approval of this proposal. Thank you.



DUEY STROEBEL

STATE SENATOR • 20TH DISTRICT

Testimony on AB 258

February 14, 2024

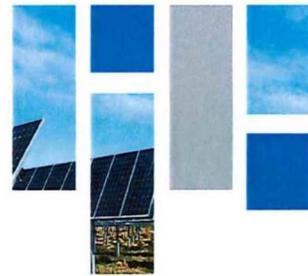
Thank you Chairman Steffen and committee members for holding a public hearing on Assembly Bill 258, a proposal I authored with Representative Krug to create the legal framework for the creation of community solar projects outside of the exclusive control or veto of an investor owned utility. Community solar projects are allowed in over 20 states. The term has been used more broadly in recent years so I want to be clear on what this bill authorizes and regulates.

AB 258 legalizes and places a regulatory framework for private capital to build a solar facility that generates up to five megawatts in the territory of an investor owned utility. The newly created subscriber organization connects these new electrons into the grid. The subscriber organization then locates interested residences or businesses and sells them subscriptions to shares of the generated electrons. The electric consumer receives the benefit of the subscription via a PSC-approved bill credit.

AB 258 lists requirements and limitations on a subscriber organization. It further authorizes the PSC to set rates, promulgate rules and require the subscriber organization to pay the utility reasonable costs to cover power distribution and administrative costs. Because of the territorial monopoly utility model we use in this state, which I presume the utilities do not wish to be changed, practicality requires the bill utilize the utilities and their billing department to allocate credits. AB 258 is written to give the PSC the latitude to make determinations to protect the ratepayers.

Besides cheaper electricity for subscribers, community solar provides several policy benefits. First, community solar projects are subject to local government planning approval and their relatively small size creates far fewer conflicts than utility scale solar. Second, leases with family farms can help our rural communities with a different stream of income. Third, community solar can allow people who are not property owners, or whose roof is unsuitable for solar panels, to participate in using solar power when they cannot currently. Finally, this bill opens the door a crack to innovation. We will see which approaches succeed and which fail through a subscriber organization's ability to provide power cheaply enough that they can make a profit selling a subscription. Unlike the investor owned utilities with their legally guaranteed return on equity, it will be possible for a subscriber organization to fail.

At the end of the day, I am interested in the ratepayers. AB 258 is the opportunity for people to pay less for electricity while ensuring the PSC has the authority to protect the public from any scary hypotheticals opponents may attempt to conjure for you today. I hope I can have your support. Thank you.



February 14, 2024

Representative David Steffen
Chairman, Assembly Committee on Energy and Utilities

CC: Members of the Committee

RE: AB 258- Community Solar

Mr. Chairman and Members of the Committee,

I am Brandon Smithwood, Senior Director of Policy for Dimension Renewable Energy. Dimension is a leading developer, owner, and operator of turn-key community solar solutions, having deployed more than 390 megawatts and \$400 million into clean energy assets since its founding in 2018. Dimension plans to invest an additional \$2.5 billion over the next 5 years, with more than 2.2 gigawatts of projects currently under development across 11 states. Dimension fosters long-term partnerships with each community it serves, investing in local job creation through workforce training programs and STEM education. Dimension supports AB 258 and appreciates the Committee holding this hearing to consider the bill.

Our company is representative of the over 100 companies who have contributed to the over 5,800 megawatts of competitively developed, owned and operated community solar projects nationwide. Community solar is the fastest growing solar segment in the country for a reason: it provides customers who cannot have their own solar system the opportunity realize the economic benefits of solar while creating small scale projects that can be integrated into the local area and provide local jobs and tax revenues.

One way in which these projects contribute to the local economy is by providing revenue to farmers and other landowners. Dimension, like our competitors, identifies properties that are well suited for solar project development and enters into long-term lease agreements with interested landowners. These leases provide landowners with fixed revenue year after year for 20-plus years. When these projects reach the end of their leases, the lease can be extended, or the project will be decommissioned. Before the project is built, funds are set aside in a bond to ensure the landowner can be confident that the land will be returned to its original state at the end of the project's life.

We at Dimension manage a project throughout its lifecycle. Once we have an agreement with the landowner, we work with the utility to get the project interconnected to the distribution grid and with the local government to get the project permitted. When the project has its permits and a contract with the utility to connect to the distribution grid, it can progress to construction. As these projects are built, each will support about 30 construction jobs. After the project is



operational it will be maintained by local maintenance providers such as landscapers and shepherds..

The subscribers to these projects vary from individual households to local governments and businesses. Community solar can reach not only those households that can't place solar on their roof, but also businesses that want the cost savings of solar but are too small to be credit-rated.

AB 258 enshrines best practices learned from the nearly two dozen states with operating community solar projects and, by creating a community solar market, will address a number of concerns that Wisconsinites have with the electric grid, including cost, reliability, and local control over power plant siting decisions. The bill creates choice for customers, and the ability to reduce their electric bills, without deregulating the state's electric sector. The bill also creates a high bar for local control by requiring that a local board must have a super-majority vote in favor of the project for it to be permitted.

Thank you again for the Committee's consideration of AB 258 and for allowing me to provide this testimony. Dimension stands ready to help bring the benefits of community solar to Wisconsin.

Sincerely,

Brandon Smithwood
Senior Director of Policy
Dimension Renewable Energy

February 14, 2024

Assembly Committee on Energy and Utilities

David Steffen, Chair

RE: Support for AB 258- authorizing community solar programs and granting rule-making authority

Mr. Chairman,

I'm Valerie Heth, and I'd like to submit this testimony in favor of AB 258 (Krug), which would establish a competitive community solar program in our state. Thank you and thanks to the Committee for considering this bill and my testimony.

My family has owned a farm in Whitewater, Wisconsin for generations – close to a hundred years now. My mother-in-law Betty Heth and her sister were born and raised right on this farm. Her folks, Mary Belle and Sidney Hackett, taught Betty the importance of being stewards of the land. Betty's sister Marilyn Hull and her husband Warren took over the farm and they continued the same responsible farming practices, even when the going was tough during the Great Depression and World War II. Betty herself moved to her husband's parent's farm when she married.

This is the legacy that I carry on today. Our family takes pride in maintaining the land for agricultural use. But it's getting harder to keep things going these days. Costs keep rising but what we earn stays the same – it's like this for small farms like ours across the state. That's why I strongly support legislation to allow community solar projects in Wisconsin.

Community solar would let farmers lease a portion of land to solar developers. Companies could build smaller projects – maybe just 10 or 20 acres – on our marginal land, like the less productive back 40. These projects would be a lifeline for small family farms like ours. In these unpredictable economic times, the steady income from leasing this land would help us keep the farm in the family. We have owned and nurtured this land for nearly a century – and I don't want that to end with me.

Moreover, community solar would give family farms like ours the opportunity to produce clean energy for local towns right here in Wisconsin. We all need more power to keep our homes, businesses, and vehicles running – so why not make it in our own backyards? It's a grassroots way to reduce our dependence on out-of-state fuel sources. Our neighbors in Illinois and Minnesota have already seen how community solar benefits everyone – landowners, towns, and local folks who get cheaper electricity. In Minnesota they are working the land between the rows of panels. They are planting flowers and placing bee hives to help our pollinators. In some states, they have tried grazing sheep. The panels offer shade for the animals, and no mowing is

needed – the perfect example of dual use. The shade could also support ginseng plants, one of Wisconsin's most valuable crops. With the university right here in Whitewater, innovative college students could come up with more ways to utilize the areas in between panels, such as community vegetable plots. Right now, we can't even explore options like these in Wisconsin. Our farms are struggling, and we need every tool to survive.

It would be a shame to let Wisconsin's potential go unused. With thoughtful legislation, we can help so many people around the state. Steady lease income for farmers, local jobs, lower electricity bills, more power to keep our systems running. Most importantly, community solar gives farms like ours a chance to compete and thrive. I believe renewable energies are the future: for farmers and for Wisconsinites in general. But let's pursue this future in a way that lets local communities and everyday folks like us compete. Free enterprise is the heart and soul of America. Why should big utilities be allowed to have a monopoly on solar energy production?

I ask you to support policies that allow Wisconsin's small family farms to benefit from and contribute to the clean energy future. Please vote in favor of AB 258 and community solar legislation. Projects like these represent a win-win opportunity to help family farms carry on while moving Wisconsin toward a cleaner and greener future. Let us be part of a stewardship-driven solution, like my family envisioned a century ago.

Thank you for your consideration.

Yours truly,
Valerie Heth

February 14, 2024

David Steffen, Chairman
Assembly Committee on Utilities and Energy
State Capitol, Room 323 North
Madison, WI 53708

RE: Support for AB 258 - authorizing community solar programs and granting rule-making authority

Mr. Chairman:

My name is David Knuth, and I'd like to submit this testimony in favor of AB 258 (Krug), which would establish a competitive community solar program in our state. Thank you and thanks to the Committee for considering this bill and my testimony.

The Knuth family has been on our land in Sherman for over 100 years. My father, grandfather, and great-grandfather were all farmers. Today, we're renting the land to another farmer.

My community has solar, but the energy is going out of state. With energy bills as high as they are now, we need some relief in Wisconsin. Thankfully, community solar power stays in Wisconsin. I like to think that will impact much more than our bills. Small businesses might be able to raise wages or hire more workers to make a bigger impact on our local communities. Additionally, farming families like mine can lease some parcels of land to community solar farms, which would send good money into our pockets. It gives us steady income to work with, and maybe I can retire early.

I care for the environment. I teach my nine-year-old and fifteen-year-old to do the same. Last year, we planted about 400 trees. Community solar seems to be a great way to keep our land in balance with ourselves. So many other states have community solar, and I was surprised we did not. But it's important that we change that to open up new opportunities for my children to keep this land a family legacy.

That's why I strongly support legislation to allow community solar projects in Wisconsin. Thank you for your consideration.

Kind regards,

David Knuth

February 14, 2024

David Steffen, Chairman
Assembly Committee on Utilities and Energy
State Capitol, Room 323 North
Madison, WI 53708

RE: Support for AB 258 - authorizing community solar programs and granting rule-making authority

Mr. Chairman:

My name is Dave Kleveshal, and I'd like to submit this testimony in favor of AB 258 (Krug), which would establish a competitive community solar program in our state. Thank you and thanks to the Committee for considering this bill and my testimony.

As a landowner, the opportunity to start a solar farm is very exciting. Clean energy has the ability to build a better world for everyone.

My family's farm has shipped wood, produced dairy, been a bakery, hosted beehives, and now produces Angus beef. The land is flat, which makes it better suited for solar panels instead of rain thirsty crops.

Recently, I planted the land with 23 different species of native wildflowers. Not just because of being prone to drought and difficult at times to grow crops but to help native species and wildlife. The wildflowers would still be grown in and around the solar panels.

I told my boys I would never sell the land for a subdivision, chemical plant, or anyone who'd leave the land worse than it started – even if I could sell this land for millions. A core tenet to us is making an honorable income. Community solar gives us the opportunity to provide clean pollution free power for the grid, and keep the farmland in the family.

Competition drives us, it makes us better, it is the American way. I have worked for a large technology company for over 35 years producing electronic equipment for many Fortune 500 companies. As a continuously improving leader, I have learned to be dynamic and open to better ways to do things, to improve efficiencies and become more competitive. Solar farms make the grid more stable and robust with multiple sources of power, and it will be better for everyone!

If I was not a land owner with an opportunity to start a solar farm and I had this opportunity to help with getting solar farms created, I would still be eager to make it happen, because it's the right thing to do.

I ask you to support policies that allow Wisconsin's small family farms to benefit from and contribute to the clean energy future. Please vote in favor of AB 258 and community solar legislation.

Pass this bill for the little guy, for the family farm to supply another clean product and have a source of income to support generations to come.

After all, who wouldn't want to live on the power of sunshine?

Thank you for your consideration.

Respectfully,

Dave Kleveshal

February 14, 2024

David Steffen, Chairman
Assembly Committee on Utilities and Energy
State Capitol, Room 323 North
Madison, WI 53708

RE: Support for AB 258 - authorizing community solar programs and granting rule-making authority

Mr. Chairman:

My name is Kevin Riemer. I am a landowner and part-time farmer in southeastern Wisconsin. My family has been farming in Wisconsin since 1839. Most of those years were dairy farming. Currently, our family primarily raises sheep. In the early 1990s, my brother expanded his dairy farm and moved about 30 miles away. My brother no longer farms, but our family still owns some of the land that he farmed in that area. Since it is too far away from us to work, a family friend raises crops on the part of that land that is suitable for farming.

In the ever-changing economy, our family hopes to be able to be a part of a community solar project that our piece of land is well situated for. This will likely allow us to utilize the full 30 acres rather than just the portion that can currently be rented out for farming. Grazing sheep has become a common, environmentally friendly way of maintaining solar developments rather than mowing grass. I have had conversations with the solar company about the potential of doing that to continue to get agricultural use from the land while we get year-round income from the solar lease to help support our family.

There is a wide range of opinions about solar development. I share some apprehensions about the way that massive tracts of land are taken over for some versions of alternative energy development. I find the community solar projects that this legislation looks to form as a better way to have Wisconsin begin to develop renewable energy sources that will be an important part of our future. These projects also give landowners more options on how to fully utilize their property. They also give families and small businesses in the communities that approve community solar more energy choices and the chance to save money on their energy costs.

I urge you to vote in favor of community solar for Wisconsin.

Sincerely,
Kevin Riemer

TO: Assembly Committee on Energy and Utilities

SUBJECT: Assembly Bill 258- Community Solar

Mr. Chairman and members of the Committee

Thank you for convening this hearing and for considering my testimony. My name is John Rettler. I have a proposed community solar project on my property in Dodge County. I'm here today because for this project to become a reality, Wisconsin would need to join 22 other states that allow for these types of projects. I appreciate Representative Krug and Senator Stroebel for leading the charge to create this opportunity.

The community solar project we want to have on our property, and projects like it, makes sense to me not only as a landowner, but as a former town official. I sat on the Town Board for Rubicon in the late 80s and early 90s. As we see very large solar projects being built around the state, these are projects that can be more manageable for our communities. Conservation of our agricultural lands and wildlife is important to us as a family and to our broader community. Our farm received the Dodge County Conservation Farmer of the Year Award in 1994. We're currently interested in working with a group called "Pheasants Forever" to establish non-erosion ground cover to foster the harboring of wild pheasants. These smaller community solar projects can fit in the landscape and help us meet our state's energy needs while continuing our conservation efforts.

Thank you for your consideration of my comments.

Sincerely,

John Rettler

February 14, 2024

Mr. David Steffen, Chair
Assembly Committee on Energy and Utilities

Re: Testimony in favor of Assembly Bill 258 and community solar in Wisconsin

Mr. Chairman,

We are Rick and Bonnie Beyer, owners of a 125-year-old family dairy farm in Outagamie County. Our roots here run deep. This farm has been in our family for over a century, passed down with care from one generation to the next. Now, we are looking towards retirement. But we want to preserve our farm's legacy, not sell it off.

That's why we signed a contract to place 30 acres of our land into a community solar project. As farmers who have cultivated this land for over a century, we feel a deep connection to Wisconsin's agricultural heritage. Over the years, we've turned down offers to sell our land to developers, hoping to maintain it for agricultural use. But profitable alternatives are needed for retiring farmers like us. Without supplementary income streams, many have little choice but to sell off land piecemeal to real estate developers. If they were to fill it up with three-bedroom homes, the property would be done forever. We have resisted that path, turning down offers from developers repeatedly. Still, we worry about our farm's fate as we grow older. With community solar, the steady lease income would provide financial stability in our retirement years, while keeping the majority of our farm intact for the future. However, this opportunity is on hold due to outdated laws prohibiting non-utility solar projects.

We ask you to please support legislation opening Wisconsin's energy grid to community solar. Well-planned community solar can make smart dual use of agricultural land, providing supplemental income for generational farming families while contributing clean power to the grid. Wisconsin has always relied on the ingenuity of its farmers – why should we stop now? With the right policies in place, we can creatively harness the power of the sun to invigorate and sustain our rich farming heritage.

Retiring farmers like us have a chance to gain income from marginally productive land while keeping property in the family. Our farm has both cropland rented to other farmers and acres enrolled in CRP conservation land. Leasing a small portion for community solar represents one more way we can productively utilize our land.

We don't have any children to take over our farm. But community solar offers a way to keep the farm going into the future. Part of our land could provide financial security for our retirement.

The rest could remain open for future generations to farm, should the next owners choose to carry on our family's legacy.

Wisconsin's farmers helped build the foundation of this state. Don't we deserve the chance to benefit from clean energy, just like large utility companies? We ask you to vote yes on community solar, so farms like ours can contribute to Wisconsin's future. This is a true win-win if given the chance.

Thank you for your consideration.

Sincerely,

Rick and Bonnie Beyer

West Bend Sand & Stone, Inc.

4246 Hwy 33

West Bend, WI 53095

Testimony on Assembly Bill 258

Relating to: authorizing community solar programs and granting rule-making authority

Assembly Committee on Energy and Utilities

February 14, 2024

Mr. Chairman,

My name is Dave Johnson, and I would like to submit this testimony in favor of AB 258 (Krug), which would establish a competitive community solar program in the state. Thank you and thanks to the Committee for your consideration of this bill and my testimony.

Background:

I am the owner of West Bend Sand & Stone. We are a local construction materials company that has been serving Southeastern Wisconsin for over 70 years, since my grandfather started this business in 1952. Our company owns a 220-acre parcel of land, of which only 125 acres are currently being used for our sand and stone quarry operations. Of the parcel of land that we are not currently using for mining, 70 acres are consciously kept as an *agricultural buffer*. This unused acreage represents a missed opportunity - both for supplemental income today and future quarry expansion under my son Aaron's leadership. As a business owner, I know we have to keep innovating to stay competitive in today's economy. That is why I strongly support legislation to allow community solar projects in Wisconsin.

Community Solar Benefits:

Community solar would let our company lease a portion of the unused land to solar developers, bringing in steady new revenue. We could lease just 10-20 acres and keep the remaining 50-60 acres untouched for now. This would provide income today without sacrificing future quarry expansion down the road, should my son wish to access the underlying stone following the end of the lease. The supplemental income would help a business like mine to grow and employ more Wisconsinites.

Our participation would also benefit the surrounding community. Community solar projects increase energy independence and generate clean power right here in Wisconsin for local residents. They provide new economic opportunities through job creation, and increased tax revenue for towns and counties.

Beyond these civic benefits, community solar offers advantages for local businesses like mine. West Bend Sand & Stone has always strived to keep our environmental impact to a minimum. As a Wisconsin company serving Wisconsin clients, we want to see our state embrace clean energy and smart growth. And

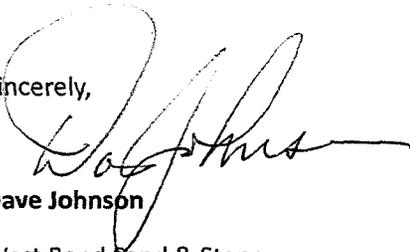
personally, as a longtime We Energies customer, I know firsthand the burden of high utility costs for commercial operations. Community solar offers a way to manage these high costs.

Conclusion:

Community solar represents a mutually beneficial arrangement for my business, renewables developers, and local residents, all while supporting a cleaner and more responsible future. I ask you to vote in favor of community solar legislation this session. Wisconsinites want their electricity bills lowered and communities want new investments. Companies like mine want a chance to prosper and grow in today's economy. With proactive policy, Wisconsin can increase our energy independence while preserving our valued land.

Thank you for your consideration of my testimony supporting AB 258 and community solar in our state.

Sincerely,

A handwritten signature in black ink, appearing to read "Dave Johnson", written over a large, faint circular watermark or stamp.

Dave Johnson

West Bend Sand & Stone
4246 WI-33, West Bend, WI 53090

February 14, 2024

Assembly Committee on Energy and Utilities

David Steffen, Chair

RE: Support for community solar bill (AB 258)

Mr. Chairman,

Thank you to you and the Committee for considering this bill and my testimony. My name is Cody Heller. I am a dairy farmer in western Wisconsin with a background in agricultural business management and economics. As an international businessman with over 15 years' experience in agriculture and experience in Renewable Natural Gas, I strongly believe in efficiently leveraging available resources to help bridge multiple industries provide both environmental and economical decisions for all stakeholders. Community solar is an opportunity that makes practical sense as a business model and an environmental model. It allows farmers and landowners such as myself to maximize the utility of our land while contributing to the state's energy landscape. That is why I urge you to support bill AB 258, Assemblyman Krug's bill enabling community solar projects in our state.

As a farmer, I am always looking for ways to cut expenses and derive value from my less productive acres - marginal land that is costly and difficult to farm traditionally. Community solar offers an innovative solution. Smaller scale projects, around 25 acres or less, can transform this marginal farmland into a new source of steady income. Equally important, it allows me to keep prime acreage fully active for crop and dairy production, along with available space for manure application in line with that DNR guidelines.

I view community solar as a win-win for Wisconsin's agricultural community. It benefits farmers who lease their land, while avoiding concerns about large solar farms on prime farmland. Distributed community solar supports the grid through localized power generation. It provides jobs for local contractors who construct and maintain projects. And it enables farmers like me to reduce our energy costs and environmental impact.

There is tremendous interest among landowners in my region to host community solar if legislative barriers can be overcome. These projects represent a chance for rural communities to embrace renewable energy, on their own terms. Farmers have long been stewards of the land, committed to efficiently utilizing natural resources and are eager to contribute on energy production in a meaningful way.

Community solar provides tangible benefits, not just for farmers but for Wisconsin as a whole. Projects would allow me to cost-effectively reduce the energy and environmental footprint of my dairy operations. Solar sited on marginal farmland avoids conflict with prime crop production. Local renewable generation means less reliance on imported fuels. Community solar offers my neighbors the chance to subscribe to a portion of a shared local solar array, reducing their electricity costs. And rural towns and counties gain increased tax revenue without the burdens of new residential development. This legislation represents an opportunity for Wisconsin's agricultural community to contribute to a more sustainable energy system, while reinvigorating the rural economy and preserving our heritage. With the right policies in place, our state's proud agricultural heritage can be a cornerstone of Wisconsin's clean energy future.

I ask you to consider my perspective as a **lifelong fourth generation** farmer when weighing community solar legislation this session. There is much potential for enhancing our rural communities while protecting the state's prime farmland. Please support AB 258 to allow family farms, small businesses, and rural communities to benefit from renewable energy grown in Wisconsin fields and backyards. The time to plant these seeds is now.

Thank you for considering my testimony.

Sincerely,

Cody Heller

Alma Center, WI

The Honorable David Steffen
Chairman, Assembly Committee on Utilities and Energy
State Capitol, Room 323 North
Madison, WI 53708

Mr. Chairman,

My name is Bob Wanish. My family has owned land in Delmar for over a century. Chippewa County has been my home my whole life. From when I returned from serving in the Vietnam War, to the years I spent working for the local ambulance service and the Sherriff's Office, this community has been important to me. I chose to take some of our land and lease it for a community solar project to generate revenue and continue our land into the next generation.

This project makes sense for my family but also to my conservative values. These community solar projects allow farmers to make the most of their property and keep decision making about the permitting of the project with the local community. The projects allow our communities to be more self-sufficient while creating competition and lowering prices.

I appreciate Representative Krug for proposing this community solar bill and I hope you and your committee members can support the legislation.

Sincerely,

Bob Wanish
Delmar, WI



February 14th, 2023

Good morning Chairman Steffen, Vice Chair Summerfield, and members of the Assembly Committee on Energy and Utilities:

Thank you for the opportunity to testify today.

My name is Sarah Moon and I am an owner of Fieldworks Power, a community-scale solar developer. Our team has previous experience developing and operating community solar projects across the country, and we see a tremendous opportunity to bring community solar to Wisconsin. If this legislation passes, we will invest significantly in developing projects that would bring real savings, jobs, grid upgrades, and economic benefits to the state.

I want to outline the fact that this program offers several tangible benefits for Wisconsin. Firstly, it provides an element of energy choice and freedom to residents and businesses, enabling access to much-needed bill relief, as subscribers to community solar generally save upwards of 10% on their energy costs.

Secondly, the implementation of a community solar program will stimulate economic development. As you'll hear more from others today, by enabling community solar we can create local jobs in construction, maintenance, and management of these assets, alongside other related sectors. **A study completed in 2023 demonstrated that a community solar program**

of approximately 1500 MW would lead to the creation of 34,700 jobs and \$2.5 billion in economic activity¹.

You'll also hear shortly from a number of landowners, as well as the Farm Bureau, about the fact that a significant beneficiary of the passage of this program is local farmers. By leasing a small portion of their land, the farmers we work with can generate additional revenue and support the rest of their operation, contributing to the resilience of Wisconsin's agricultural sector.

Finally but importantly, a community solar program empowers local communities to make decisions about their energy future - each project that we develop requires a two-thirds majority approval by the municipality hosting the project. This is in direct contrast to larger-scale projects in the state.

In summary, the community solar program offers practical advantages for Wisconsin: energy freedom, economic development, significant income for farmers, local control over energy decisions, and electric bill relief for consumers and businesses. I am very happy to answer any questions about the details of the program as designed or our intentions to participate in it.

Thank you very much for your time and consideration.

Sarah Moon

Co-Founder & Principal

Fieldworks Power

sarah@fieldworkspower.com

¹"The Economic Contributions of Building Out Community Solar in Wisconsin":
<https://wi4communitysolar.com/wp-content/uploads/2023/08/Community-Solar-in-Wisconsin.pdf>

February 14, 2024

TESTIMONY OF JOEL GAMORAN AB 258 - Community Solar

Thank you for the opportunity to speak today about bringing **Community Solar** to Wisconsin. My name is Joel Gamoran, and I am the General Manager of Energy Services at Arcadia. Arcadia is an energy technology company with more than 200 employees across the US, including 3 here in Wisconsin.

I was born and raised in Wisconsin and lived here for 18 years, and so the opportunity to bring community solar to Wisconsin has special meaning for me, and it is an honor to speak before you today.

Arcadia is the largest manager of community solar projects in the country, and our role is to educate, enroll, and support community solar **Subscribers**. Our subscribers are individuals, businesses, non-profits, and municipalities that want to benefit from renewable energy without embarking on a costly construction project at their own property. We serve more than 200,000 subscribers today across 15 states, who have collectively saved an estimated **\$20 million** on their energy bills by participating in community solar.

I've been working in community solar for nearly 10 years, so I've seen the market mature and grow from a handful of states to 15+ states with nearly all regions of the country represented. And at Arcadia, we already see the demand for this program in Wisconsin. Despite running no sales or marketing efforts in the state in over four years, Arcadia has maintained a waitlist of more than 1,000 Wisconsin residents who would eagerly enroll were such a program to become available.

There are varying reasons our subscribers are attracted to community solar, but I wanted to highlight two in particular: buying local and of course, saving money. These are both values that I'm confident people across Wisconsin will heartily embrace. Buying local – offering people a choice to support energy producers in their home communities and the economic development and jobs that come with it, not to mention resiliency for the system to have more locally produced power – that's a good thing for us all. And on the savings, community solar is open to all households – especially renters or community members who lack the credit score needed for rooftop solar panels. It's just smart policy to allow the private market to provide energy bill savings that helps ease the energy cost burden these households face.

Thank you, and I look forward to answering any questions, especially about how community solar subscriptions work, or the experience for subscribers.

Joel Gamoran
General Manager, Arcadia



February 14, 2024

Representative David Steffen
Chairman, Energy and Utilities Committee
State Capitol
Madison, WI 53708

SUBJECT: Opposition to Assembly Bill 258 – Community Solar Legislation

Good afternoon Chairman Steffen, Committee Members, and staff.

My name is Zack Hill and I'm the Sr. Manager of Public and Community Affairs for Alliant Energy.

You may be surprised to learn that Alliant Energy already has a successful community solar program that has been approved by the Public Service Commission of Wisconsin. Indeed, our first project in Fond du Lac quickly sold out and our second project is being constructed in Janesville by Pewaukee-based solar company, Sunvest.

Any of your constituents that have Alliant Energy as their electric provider can go to our website and purchase blocks in our community solar garden right now.

In fact, there are dozens of community programs across the country that provide positive benefits to communities and consumers, but that's not what AB 258 would do.

We know that because this is the same cookie-cutter legislation shopped by a national organization in several other states and we have seen the consequences of those signed into law.

Like those bills, AB 258 is vaguely written. Why? To make it difficult for you to evaluate the impact on your communities and constituents; to hide the fact it creates a shell game for predominately out-of-state solar companies – and the financial institutions that back them – to make risk-free profits off the backs of your constituents for the next 25 years.

Not all community solar is created equal and today I'd like to share what we believe a fair, safe, and consumer-friendly program looks like compared to what AB 258 would bring to Wisconsin.

Fairness

A **fair** community solar program allows anyone to subscribe **without** requiring non-participating utility customers to subsidize these programs through high credits on their monthly bill.

Some of Alliant Energy's business customers haven't signed up for our community solar program because they've been promised by advocates of AB 258 that they'll receive 10-20% in energy savings once the bill is signed into law.

However, AB 258 does not specify what the credit rate will be to deliver these promised savings because it would allow you to understand how the program's cost shifts could impact your constituents, including those with lower-incomes --- thus likely dooming the prospects of this bill.

In contrast, Alliant Energy requires its subscribers pay for the entire program, thus ensuring other customers aren't burdened by its costs. Anyone can "go green" with our community solar, but creating winners and losers through our program is prohibited.

While the way AB 258 is written makes it difficult to understand how its subsidization would occur, I think it's easy for us all to understand that when someone receives a discount, someone else has to pay for it. Under this bill, it would be the vast majority of your constituents for at least the next 25 years.

Safety and Reliability

A responsible community solar program preserves the **safety and reliability** of the electric grid. It requires solar companies to use high quality panels, trackers, and other grid equipment to ensure projects perform for decades and deliver the benefits promised to subscribers. Regulated utilities here in Wisconsin prioritize safety and reliability with every project they own --- big or small.

AB 258 contains no quality requirements while giving out-of-state solar companies unfettered access to our state's electric grid. With no requirement to use higher quality -- and often higher cost -- materials that would cut into their profits, why would they use them? The answer is, they won't.

Customers First

A **consumer-friendly** community solar program allows business subscribers to receive the Renewable Energy Credits derived from projects to help achieve their sustainability goals. All of Alliant Energy's customer programs provide this helpful option.

However, AB 258 allows private solar companies and their financial backers to keep and sell them in REC markets to further pad their own profits. I'm surprised some Wisconsin businesses and local governments that have publicly-announced sustainability goals would still support the bill because of this -- let alone be OK with their customers or constituents subsidizing their promised energy savings.

Overall, it is important to understand that under AB 258, your constituents will be signing 25-year contracts with solar companies - many of which will be headquartered in other states. None of these companies will be regulated by the PSC like utilities are.

Given this, it is difficult to understand why the authors removed the program sunset date in this session's version of their community solar bill. Without PSCW oversight, and the absence of customer safeguards in AB 258, all utility customers will be affected when this program drives up energy costs like we've seen in other states, such as Minnesota and Maine.

And what if your constituents want to move to another state and cancel their community solar subscription with a solar company?

AB 258 is silent on this question, but based on other states' programs, subscribers are often on the hook to pay high cancellation penalties. Unfortunately, AB 258 could create a new version of timeshares in the renewables industry here in Wisconsin.

Reflects and Strengthens Wisconsin Communities

A community solar program we can all be proud of should leverage our highly skilled workforce to build, operate and maintain projects. Giving preference to the use of local labor and Wisconsin-based contractors ensures a quality product while preventing jobs from being outsourced. This **keeps constituent dollars in the community** and maximizes the economic benefit to Wisconsin businesses.

AB 258 contains no such preference because the bill's advocacy efforts are primarily financed by out-of-state companies and financial institutions where profits matter more than people.

A true community solar program also **reflects a community**. Alliant Energy reserves 25% of each of its projects for residential customers to make sure each project is representative of the communities we serve. Our first project in Fond du Lac has 146 subscribers reflecting a diverse mix of customers --- families, businesses, and non-profits --- while our new Janesville project reached this 25% threshold in just six weeks thanks to the design of the program.

AB 258 requires only three customers sign up for a project to be built -- even if it's 99% unsubscribed. Like Minnesota's program that is dominated by large corporate and government subscribers, most of the projects won't be subscribed by your family members or your neighbors. No, they'll simply pay for this program for the next 25 years.

Closing

In closing, it is appropriate we are discussing this bill on Valentine's Day because it truly is a sweetheart deal for out-of-state solar companies and financial institutions. Over the course of this hearing, you'll hear a lot of rosy pictures painted about community solar -- the potential cost savings for customers, windfalls to farmers, how low-income families have nothing to worry about, and other promises by advocates that it will be different this time in Wisconsin.

When you hear these promises, ask where they are written in the bill. I suspect what you'll learn is why this community solar in AB 258 was created to enrich companies with offices on Park Avenue in Manhattan --- not benefit communities in Port Edwards, Pewaukee, Platteville, Prairie du Chien, Port Washington or anywhere else in Wisconsin for that matter.

Thank you, Chairman Steffen and Committee Members. I'd be happy to answer any questions.

February 14, 2024

Representative David Steffen
Chairman, Energy and Utilities Committee
State Capital
Madison, WI 53708

SUBJECT: Opposition to Assembly Bill 258 – Community Solar Legislation

Good morning Chairman Steffen, Committee Members, and staff. Thank you for the opportunity to testify on the proposed Community Solar legislation.

I am Tyrel Zich, Regional Vice President of Regulatory Policy at Xcel Energy.

Xcel Energy is an industry leader in clean energy and was the first investor-owned utility in the country to have a comprehensive vision for clean energy. We currently estimate that our plan will result in 88 percent carbon-free electricity by 2030, just 6 years from now. Our plan includes extending the lives of our existing nuclear power plants past 2050, taking advantage of the geography of our service territory for low-cost wind energy, and more recently significant investments in solar energy. A diverse mix of energy resources will be essential for Wisconsin's energy future to provide affordable and reliable energy to customers.

Xcel Energy also supports customers who want to reduce their emissions faster. Xcel Energy currently offers a suite of programs in Wisconsin that allow customers to choose, and pay the full cost of, moving faster. This includes the Xcel Energy run community solar program, Solar*Connect Community. We also have a new program called Empower Renewables, under which Xcel Energy procures a renewable resource for a business or government customers who pay the full cost of the renewable projects. Importantly, we also support customers and solar developers who build their own projects – we support them through interconnecting the generation to the grid. All the options will be part of the diverse mix of energy resources needed to drive towards an affordable and reliable energy future.

The community solar bill works against an affordable and reliable future. It risks driving up rates for all customers. Xcel Energy has firsthand experience with community solar legislation adopted in Minnesota in 2013 that has since created one of the largest community solar programs in the United States and driven up rates for all non-subscribing customers to primary benefit of out-of-state solar garden owners.

As of January 1, 2024, Minnesota's community solar program has 904 MW of installed solar with 388 MW of projects in progress. To put that into perspective, according to the 2028-2034 Strategic Energy Assessment by the PSCW, Wisconsin utilities have added or plan to add approximately 2,500 MW of new utility scale solar. Minnesota's CSG program created such significant demand because the law required Xcel Energy to purchase all generation from the solar gardens at a price that far exceeded the market value for solar.

Currently the Minnesota CSGs are paid \$110 per MWh under the Value of Solar (VOS). CSGs that came on before the VOS was implemented have an average mandated price of \$156 per MWh. To put that into perspective, utilities pay somewhere between \$50 and \$80 per MWh for utility scale solar today. Xcel Energy prefers to run competitive solicitations to procure and inform project pricing. Because the

mandated pricing in Minnesota far exceeded the market price, it's not surprising there has been such substantial demand for CSGs.

Without changes, the MN CSG program is expected to cost MN ratepayers \$329 million in 2024, dollars flowing to CSG subscribers and owners at the expense of all Xcel Energy customers in Minnesota. This means residential customers are expected to pay an estimated \$7 per month higher than they would otherwise pay in 2024 to subsidize subscribers and owners.

The rising costs to non-subscribers has caught up to policy makers as just this year the Minnesota Commission requested that Xcel Energy provide a proposal for consideration that would lower the amount existing CSG subscribers and customers are compensated. The request would save customers \$329 million in 2024. This move is opposed by CSG owners and existing subscribers which executed 25-year contracts establishing expectations for continued payments.

Although the contracts between CSG owners and subscribers are unregulated and confidential, Xcel Energy's experience is that subscribing customers receive just 10% of the payments from other non-subscribing customers. Residential subscribers are overwhelmingly higher income as CSG developers view signing 25-year contracts with low-to-moderate income customers as risky. And, subscribers are overwhelmingly non-residential customers, with government and businesses customers making up 85% of subscribers. Not only has the MN CSG program created a subsidy from non-participating customers to participating customers but the subsidy also flows from lower income to higher income customers and from residential to non-residential customers.

With an estimated 10% of the payments from all non-subscribing customers flowing to subscribers, 90% flows to solar garden owners. Out-of-state CSG owners make up approximately 75% of CSG projects. In-state Minnesota owners make up just 25% of the total projects. The largest CSG owners are Berkshire Hathaway Energy, Nebraska and Clearway Energy, New Jersey.

It is important to note, current Wisconsin law does not prevent solar owners from executing contracts with subscribers to construct solar projects. Owners can sell electricity to utilities via competitive solicitation or power purchase agreements. Owners can also force utilities to purchase power at fair rates already established by the Public Service Commission of Wisconsin under the Public Utility Regulatory Policy Act or PURPA. The proposed community solar legislation is intended to let solar owners seek a higher than competitive rate for solar and mandate that utilities collect the revenue for CSG owners via customer-funding information technology and billing systems.

In Wisconsin, Xcel Energy currently has approximately 200 MW of solar projects waiting to interconnect to our distribution system many of which would benefit from this legislation passing. Many of the developers have cited this legislation as the reason for interconnection. The problem Minnesota created for itself is not a far-off possibility in Wisconsin. We are dealing with a mature market and actors waiting to take quick action upon passage of this legislation to benefit of out-of-state owners to the detriment of Wisconsin customers.

Thank you for letting me testify on this important issue and will be happy to answer any questions. I am going to turn it over to Zack Hill from Alliant energy to discuss more on current Community Solar Gardens that utilities offer to customers.

Minnesota's Statutorily Created Community Solar Garden (CSG) Program:

- Created by Minnesota Legislature (§ 216B.1641), not created or designed by utilities.
- January 2024, CSG program had 904 MW of installed solar with 388 MW in-progress.

Minnesota's CSG Program harms non-subscribers, including low-income customers:

- Total customer costs over the life of the CSG Program have totaled \$917 million.
- Xcel Energy must purchase every kWh of generation from solar gardens at a predetermined price not competitively bid with no linkage to the actual cost of the garden.
- Bill credits from gardens are expected to cost every residential customer about \$7 per month in 2024 and will continue to grow as the program expands and high costs are locked into 25-year contracts.
- CSG Program costs are approximately 20% of the fuel costs paid by customers while providing only 3% of the energy to customers.
- The Value of Solar is not a market-based price, highlighted by the fact that the CSG price is currently at \$110 per MWh, significantly higher than the price of utility-scale or other distribution interconnected solar which is typically between \$50 and \$80 per MWh.

Benefits accrue to out-of-state and out-of-country CSG owners:

- An estimated 90% of CSG financial benefits accrue to garden owners.
- Out-of-state CSG owners comprise of 75% of CSG projects and Minnesota CSG owners at just 25%.
- The largest CSG owners are Berkshire Hathaway Energy (Neb.) and Clearway Energy (NJ)
- CSG owners returns and contracts with customers are not regulated by the MN Commission.

Minnesota's CSG Program Harms Low Income Customers:

- Approximately 85% of subscribed capacity is from government and business customers.
- 25% of MN CSG subscribers are governments, 17% public schools, 13% hospitals, clinics, churches, and private schools leaving 30% for businesses.
- There are only about 29,000 residential subscribers.
- Most solar garden owners do not attempt to enroll low-income customers, whom they perceive as a greater financial risk.
- Some developers run credit checks to disqualify potential subscribers.
- In contrast, utilities as regulated entities have both the obligation and privilege to serve all customers on a non-discriminatory basis.
- CSG owners often contract with multi-family housing owners replacing individual tenants as utility customers. This removes customer protections and the ability of individual tenants from enrolling in energy assistance programs.

Commission-regulated CSG Programs and Voluntary Renewable Energy Programs are more equitable:

- Xcel Energy offers a suite of renewable energy programs in Wisconsin none of which negatively impact non-subscribers or low-income customers.
 - Xcel Energy's Solar*Connect Community program allows subscribers to pay for a share of the garden upfront and receive bill credits over time.
 - Xcel Energy's Renewable*Connect program in Wisconsin allows subscribers to pay a small premium on their bill in return for receiving renewable wind and solar energy.
 - Xcel Energy's Certified Renewable Percentage program allows all the company's Wisconsin customers to claim the Company's renewable generation as their own.
 - Xcel Energy's Empower Renewables program in Wisconsin allows the company to procure dedicated renewable generation for business and government customers.
 - Xcel Energy's Empower Resiliency program in Wisconsin allows the company to provide customized solar, battery storage, and microgrid solutions to business and government.

Assembly Bill 258 Testimony – Steve Kwaterski, Political & Communications Director Wisconsin Laborers’ District Council

Good morning, Chairman Steffen and thank you to the members of the Assembly Committee on Energy and Utilities for the opportunity to discuss my union’s concerns with Assembly Bill 258.

My name is Steve Kwaterski, and I am the Political & Communications Director for the Wisconsin Laborers’ District Council, a trade union that represents over 9,000 active and retired skilled laborers throughout the state.

Our union has significant concerns with enabling this type of community solar program in Wisconsin as it would create an inequitable set of rules for ratepayers, lead to deregulation of Wisconsin’s utilities, and would not provide the economic benefits that are associated with the construction of utility-scale solar projects.

Not everyone has the economic means to enter into a community solar agreement, and for those who can, the result is that they are removed from the regulated energy grid causing other ratepayers to shoulder a greater burden when paying their energy bills.

Utilities exist to benefit all ratepayers, but the establishment of community solar facilities could lead to deregulation and less oversight. This would result in less reliability and more volatile costs for ratepayers.

My union counterparts in Minnesota have documented cases around community solar projects that have resulted in bills not being paid, vendors and workers suing contractors to get paid, and some contractors using temp worker agencies to staff these projects, using low road labor standards.

That is why we believe that the more equitable solution for renewable energy is the construction of large utility-scale solar farms that benefit all ratepayers, are subjected to regulatory processes, and have high workforce development standards.

The workers currently building utility-scale solar projects in Wisconsin are local workers – actual Wisconsin ratepayers. These Wisconsin workers, many of whom are WI Laborers, receive proper skill and safety training through apprenticeship, classroom, and hands on learning at our training centers. When well-trained Wisconsin workers are on the job, we’re making sure that projects are built properly and decreasing the risk to developers, utilities, and ratepayers.

Other states like Minnesota that have community solar programs have experienced an influx of out-of-state workers who are paid less and don’t have requisite skills and safety training, leading to shoddy construction and unreliable service. We do not see a reason to import those problems into Wisconsin.

To demonstrate the significant impact that utility-scale solar projects have had on our state's economy, our union members have completed over 560,000 working hours on these projects over the last two years.

This is helping contribute to an increase in apprenticeships, drawing from all of Wisconsin's diverse communities where more people are getting an opportunity to pursue a career in construction.

One project alone – the 220 megawatt Paris solar project in Kenosha County resulted in 500,000 working hours between 2022 and 2023.

If you look at all the scopes of work performed by the members of the Wisconsin Laborers' District Council, which includes highway, roads, building, and sewer & water projects, our members completed 11 million working hours in 2023. The Paris project alone accounted for over 2.5 percent of our total working hours.

In January 2023, we had 43 registered apprentices actively working on the Paris jobsite, learning their craft while building this important piece of infrastructure. 67 percent of these apprentices were either Black, Latino, or Indigenous, and many have already completed their apprenticeships and have moved on to other projects.

As Wisconsin's utilities continue to make significant investments in the transition to renewable energy sources like solar and wind, we'll continue to see more success stories like I just outlined which benefits all of Wisconsin by providing an equitable supply of energy to ratepayers while making the investment in local workers building this critical infrastructure.

I thank the committee for the opportunity to address my union's concerns regarding Assembly Bill 258, and I am happy to answer any questions that you may have.

Testimony on 2023 Assembly Bill 258

Assembly Committee on Utilities

February 14th, 2024

Thank you, Chair Steffen and Committee Members, for the opportunity to testify on 2023 Assembly Bill 258. I am Jason Mugnaini, I serve as Executive Director of Government Relations for the Wisconsin Farm Bureau Federation. I would like to thank the authors of this important legislation Representative Krug and Senator Stroebel, as well as those in co-sponsorship for their leadership on this important legislation.

I regularly hear from farmers who are concerned about the challenges of accessing farmland and the growing tension and competition to do so. This hearing is quite timely as just yesterday, the Census of Agriculture was released by the United States Department of Agriculture. In the last 5 years, Wisconsin lost nearly 6,300 farms and over a half a million acres of cropland. Farmers are facing tough times.

However, our farmers are not naïve, they fully understand that America will need renewable energy production and prosperous, resilient farms to continue to provide the abundance of affordable nutritious food and the energy necessary to keep our refrigerators running. However, a potential solution in this equation that could help alleviate some pressure is currently preempted here in Wisconsin.

Assembly Bill 258, authorizes community solar and allows participants to subscribe to a solar project and receive credit on their energy bill for the power produced. Community solar projects can be located almost anywhere and are often placed on small parcels of under-utilized farmland. They are an alternative to installing individual rooftop panels on homes and businesses, and can provide another option to landowners from selling large swaths of farmland for redevelopment or larger-scale projects.

Even though Wisconsin is “America’s Dairyland”, many of our residents are unaware of the day-to-day needs of dairy farming and agriculture in general and the large network of businesses that support agricultural production and comprise our food supply chain. When large swaths of land are taken out of agricultural production, agribusinesses are deeply impacted. Seed elevators, custom harvesters, cheese plants, agriculture suppliers and distributors, and many more agribusinesses that have been established over generations to service the needs of the agriculture industry, the infrastructure that supports agriculture must now work harder, go further, and pay more to get the same job done to feed our nation.

This legislation, if passed, could be a lifeline for farmers. Farmers could lease a small portion of land for smaller-scale projects. Tenant landowners can often retain 15-25 percent of energy on-site, while also receiving rent payments. Providing that extra push to expand, or just keep the lights on and make ends meet. Households and businesses nearby lacking access to traditional rooftop solar, whether because they’re renters or cannot afford the panels, can subscribe to these projects and reduce their utility bills by as much as 10 percent.



Community solar doesn't remove agricultural land, but rather protects it and put local control of these projects back into the hands of landowners and the communities they are in, unlike larger-scale equivalents. Allowing farmers the ability to maintain their own independence and stay in production agriculture by cultivating a stable revenue stream while also cultivating energy independence.

Quite simply, Healthy farms make for healthy communities, and Assembly Bill 258 could be the difference between losing a farm or leaving a legacy for future generations.

TO: Assembly Committee on Energy and Utilities

FROM: James Buchen, Executive Director

RE: AB 258 – Community Solar Legislation

DATE: February 14, 2024

Wisconsin Utility Investors, Inc. is opposed to AB 258 which would allow out-of-state solar developers to build and operate small scale solar facilities in Wisconsin outside of the normal utility regulatory structure.

Wisconsin has long benefited from a comprehensive system of utility regulation and rate making under which investor-owned gas and electric utilities are granted exclusive rights to supply electricity in a specific service territory in exchange for strict PSC rate limits and regulation. Allowing third parties to generate and essentially sell electricity outside of this system is unfair to existing utilities, a threat to utility investors, and likely to increase costs to consumers. Utility investors have the following concerns with the bill.

- Allowing unfair, unregulated competition will diminish the value of utility stock which will make Wisconsin utilities less competitive, driving investors to seek other investment choices available in the marketplace. Less equity capital will force utilities to seek more high-priced debt capital which will cost consumers more in the long run.
- Experience in Minnesota shows that electricity generated from the kind of small-scale solar facilities called for in the bill costs more than electricity being generated by utility scale solar facilities currently in operation and under development.
- All nonparticipating utility customers will have to bear the increased cost of administering the bill credit system and buying the higher priced community solar electricity distributed through the utilities' system.
- Unlike the community solar system contemplated in the bill, Wisconsin's existing utilities' renewable generation is benefiting all electric customers, not just a select few at the expense of the rest.
- All Wisconsin utilities have built extensive solar, and wind generating facilities and are committed to becoming carbon neutral. As a result, Wisconsin consumers have access to the most efficient and cost-effective renewable electricity available.

About Wisconsin Utility Investors, Inc. WUI is a nonprofit association of individuals that own stock in Wisconsin's investor-owned gas and electric utilities. The members have joined together to protect and enhance their investments through advocacy on critical energy issues at the PSC and in the Legislature. The majority of WUI members are retirees of modest means. There are currently more than 50,000 individuals in Wisconsin that own stock in public utilities operating in this state.



TO: Chair Steffen & Members, Assembly Committee on Energy and Utilities

FROM: Craig Summerfield, Sr. Director of Environmental & Energy Policy

DATE: February 14, 2024

RE: Opposition to Assembly Bill 258, relating to community solar

Wisconsin Manufacturers & Commerce (WMC) appreciates the opportunity to testify in opposition to Assembly Bill 258, which would establish requirements for community solar programs in Wisconsin. WMC respectfully opposes this legislation as it would undermine access to affordable and reliable energy for Wisconsin manufacturers and other businesses.

WMC is the largest general business association in Wisconsin, representing approximately 3,800 member companies of all sizes, and from every sector of the economy. Since 1911, our mission has been to make Wisconsin the most competitive state in the nation to do business.

WMC supports an energy policy that focuses on the delivery of the most affordable and reliable energy to businesses, regardless of the generation source. However, AB 258 sets up special rules for one preferred type of energy – solar. Moreover, under the bill, an investor-owned utility is required to purchase the energy from a community solar garden at a rate determined by the government. This market-distorting government intervention will place ratepayers on the hook for guaranteed profits for solar energy speculators, and will necessarily lead to higher prices for utility customers.

This arrangement will undermine reliability by creating a perverse incentive to build-out additional, intermittent solar capacity at the expense of other, more reliable sources of energy such as natural gas. Further, this plan undermines energy affordability because the costs of these community solar gardens will ultimately be subsidized by other, non-subscribing customers of the investor-owned utilities.

There are real life examples of this cost shift. Minnesota's community solar program is expected to cost Minnesota ratepayers \$329 million in 2024, or an estimated \$7 per ratepayer per month. Importing misguided Minnesota-style energy policies to Wisconsin may help out-of-state solar developers, but it will hurt our state's homeowners and businesses who will ultimately be stuck paying the bill.

On behalf of our business and manufacturer ratepayers, WMC urges opposition to AB 258. Thank you for your consideration. I am happy to answer any questions.



February 14, 2024

Representative David Steffen
Chairman, Energy and Utilities Committee
Wisconsin State Capitol
Madison, WI 53708

RE: Assembly Bill 258, Relating to Authorizing Community Solar Programs and granting rule-making authority

Good morning, Chairman Steffen, members of the Committee, and staff.

My name is Nick Webber, and I am a Business Representative for the International Brotherhood of Electrical Workers Local Union 953 in Eau Claire, WI.

In Wisconsin, there are more than 16,000 IBEW members living and working in nearly every community and every sector of the electrical industry. From new construction of small businesses, maintaining and building powerlines, and efficiently generating power for Wisconsin residents; well trained and qualified members are on the job.

Though our membership is diverse in about every way possible, our obligation to provide safe, reliable, and affordable power to our friends, families, and neighbors is our shared top priority.

As people who work to build and maintain our electric system each day, we understand that our industry is evolving- in some ways quickly, and in others, not quickly enough. We support and understand the importance of a zero-

carbon future and have and will continue to adapt and embrace these changes each day on the job.

As we have seen in the past few years, significant investments have been made in the renewable energy sector in our state, all the while investing in local Wisconsin workers and equitably offering Wisconsinites the opportunity to reduce their carbon footprint. The incredible investment and development in utility-scale solar projects should not be diminished or overlooked.

Unfortunately, we believe that AB 258 misses the mark by skirting-for a few- a regulatory system that ensures reliability, fairness, and affordability, and under which a significant transformation is already taking place.

We have seen right next door in Minnesota, the increased cost to fixed rate customers- which has a disproportionate impact on those who can afford it the least, and we have seen most benefits from community solar programs accruing to developers and large-scale energy users, not residential customers. We are making great progress in Wisconsin on solar without this.

I can say with confidence that the vast majority of Wisconsin solar projects from those between 10 megawatts and 100 megawatts to those well over 100 megawatts that are currently operating, under construction, in a pre-construction phase have used, are using, or have committed to using our local, trained, and qualified Wisconsin workforce. Our current system is not only working towards a cleaner future, but also working for Wisconsin workers and their families.

Additionally, Wisconsin's qualified utility workforce and regulated Wisconsin utilities ensure the safety and reliability of our system each and every day. From using the highest quality materials on the ground to safe interconnects into the grid- we ensure that Wisconsin ratepayers are investing in a system that will work for decades to come. The absence of any language regarding quality standards in AB 258 is concerning at best, and dangerous at worst.

This bill proposes an alternative strategy for Wisconsinites, investor-owned-utility ratepayers, and Wisconsin workers. Frankly, it is one that raised more questions than answers for all of us. We are puzzled as to why we would pursue an unclear path as it pertains to the integrity of our system not only on the construction and maintenance side, but to the ratepayers as well.

We don't think the approach in this bill benefits ratepayers generally, Wisconsin workers, or even protects the consumers the program hopes to attract. We see the investment in solar around Wisconsin on a daily basis, my Union brothers and sisters are on those jobs working for a cleaner energy future.

The International Brotherhood of Electrical Workers asks you to please oppose AB 258 and instead support the incredible progress we have made largely thanks to the legislature and Public Service Commission in Wisconsin and help support Wisconsin workers during this time of energy transition.

Thank you, and I would be happy to answer any questions.



Madison Gas and Electric Company

P.O. Box 1231

Madison, WI 53701-1231

608-252-7000

your community energy company

Scott R. Smith

Vice President

Business and Regulatory Strategy

608-252-5609

To: Members of the Assembly Committee on Energy and Utilities
From: Scott Smith, Vice President Business and Regulatory Strategy, Madison Gas and Electric Company
Subject: Testimony in Opposition to Assembly Bill 258
Date: February 14, 2024

Dear Committee Members:

Thank you for the opportunity to share my testimony on Assembly Bill 258 (AB258). My name is Scott Smith, Vice President Business and Regulatory Strategy, for Madison Gas and Electric Company (MGE).

I would like to provide you with information about MGE's current community solar programs and why it's important for community solar programs to be managed by our regulated electric utilities in Wisconsin. As providers of an essential service, regulated utilities have the knowledge and experience and understand how best to serve and to protect electric customers.

Safe, reliable, affordable energy is our top priority and will continue to be as the electric grid continues to evolve. We are enabling a cleaner, smarter, more dynamic and resilient grid. At MGE, we are working with our customers to achieve our goals of at least an 80 percent reduction in carbon emissions by 2030, when compared to 2005 levels, and net-zero carbon electricity by 2050. This means, by 2030, we expect every MGE electric customer will have 80 percent fewer carbon emissions from their electricity use simply by being an MGE customer. A foundational objective in our clean energy transition is ensuring all customers enjoy the economic and environmental benefits of cleaner energy.

MGE has been providing community solar to our customers since 2017. We offer two different community solar programs, Shared Solar and our Renewable Energy Rider (RER).

We started our Shared Solar program to grow our use of locally generated, carbon-free, cost-effective solar energy. We designed it based on customer feedback, and we partnered with our community to site the arrays.

MGE's Shared Solar is a voluntary program open to residential and business electric customers. Subscribers may obtain up to 50 percent of their annual electric needs through Shared Solar. Participants pay a one-time up-front fee, plus 10.9 cents per kilowatt-hour (kWh) for the locally generated solar power. This rate will not increase throughout the life of the program.

Shared Solar offers customers the opportunity to benefit from cost-effective local renewable energy at minimal up-front cost. The solar arrays are constructed and operated with the costs paid by Shared Solar participants who pay a stable Shared Solar rate throughout the life of the program. Importantly, we **do not** shift Shared Solar costs to nonparticipating customers. This is a critical distinction.

February 14, 2024

Energy affordability is a critical issue for utilities and their customers across Wisconsin. AB258 allows for costs from community solar projects to be unfairly shifted to nonparticipating customers. Alleged cost savings for participants should not come at the expense of all other nonparticipating electric ratepayers, including those who simply cannot afford to participate.

MGE's Shared Solar program was approved by the Public Service Commission of Wisconsin (PSCW), and any changes to the program, including additional solar arrays, must be approved by the PSCW in order to, among other things, protect all customers and ensure program costs are being paid by participants.

Our RER is community solar for our larger customers. It provides MGE and large electric customers the ability to work together to tailor a renewable energy solution to meet customers' needs. We currently have four solar arrays and more than 40 megawatts of solar serving customers through our RER program.

Participants include the Wisconsin Department of Administration, which is served by our O'Brien Solar Fields in Fitchburg through an RER agreement. MGE contracts with each participating customer to recover fully the cost of the array and ongoing operational costs. Each contract requires approval from the PSCW.

Unlike AB258, MGE's community solar programs:

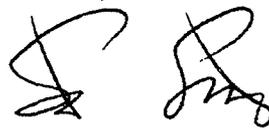
- Are regulated by the PSCW to protect all electric customers and to protect the safety and reliability of the electric grid.
- Are designed to protect nonparticipating customers from subsidizing the project and the rates paid by participants.
- Ensure participants continue to pay costs associated with the use of MGE's distribution system, which delivers the energy from the Shared Solar and RER arrays to customers.
- Provide service from a known, trusted, and regulated public utility.
- Adhere to Wisconsin's consumer protection laws.
- Ensure projects will be built safely with local input and local labor to help keep and grow jobs in Wisconsin.

AB258 is unnecessary for the following reasons:

- Cost-effective community solar is already available throughout most of Wisconsin.
- Solar is provided by Wisconsin utilities subject to State regulation that provides for transparency, consumer protections, and guardrails.
- Wisconsin utilities' community solar programs are approved and monitored by the PSCW. This ensures safety, reliability, transparent pricing, and fairness to both participating and nonparticipating customers.

Thank you for your time on this matter that is critically important to all Wisconsin electric customers.

Sincerely,



Vice President Business and Regulatory Strategy



Madison Gas and Electric Company

P.O. Box 1231
Madison, WI 53701-1231
608-252-7000

your community energy company

Scott R. Smith

Vice President
Business and Regulatory Strategy
608-252-5609

To: Members of the Assembly Committee on Energy and Utilities
From: Scott Smith, Vice President Business and Regulatory Strategy, Madison Gas and Electric Company
Subject: Testimony in Opposition to Assembly Bill 258
Date: February 14, 2024

Dear Committee Members:

Thank you for the opportunity to share my testimony on Assembly Bill 258 (AB258). My name is Scott Smith, Vice President Business and Regulatory Strategy, for Madison Gas and Electric Company (MGE).

I would like to provide you with information about MGE's current community solar programs and why it's important for community solar programs to be managed by our regulated electric utilities in Wisconsin. As providers of an essential service, regulated utilities have the knowledge and experience and understand how best to serve and to protect electric customers.

Safe, reliable, affordable energy is our top priority and will continue to be as the electric grid continues to evolve. We are enabling a cleaner, smarter, more dynamic and resilient grid. At MGE, we are working with our customers to achieve our goals of at least an 80 percent reduction in carbon emissions by 2030, when compared to 2005 levels, and net-zero carbon electricity by 2050. This means, by 2030, we expect every MGE electric customer will have 80 percent fewer carbon emissions from their electricity use simply by being an MGE customer. A foundational objective in our clean energy transition is ensuring all customers enjoy the economic and environmental benefits of cleaner energy.

MGE has been providing community solar to our customers since 2017. We offer two different community solar programs, Shared Solar and our Renewable Energy Rider (RER).

We started our Shared Solar program to grow our use of locally generated, carbon-free, cost-effective solar energy. We designed it based on customer feedback, and we partnered with our community to site the arrays.

MGE's Shared Solar is a voluntary program open to residential and business electric customers. Subscribers may obtain up to 50 percent of their annual electric needs through Shared Solar. Participants pay a one-time up-front fee, plus 10.9 cents per kilowatt-hour (kWh) for the locally generated solar power. This rate will not increase throughout the life of the program.

Shared Solar offers customers the opportunity to benefit from cost-effective local renewable energy at minimal up-front cost. The solar arrays are constructed and operated with the costs paid by Shared Solar participants who pay a stable Shared Solar rate throughout the life of the program. Importantly, we **do not** shift Shared Solar costs to nonparticipating customers. This is a critical distinction.

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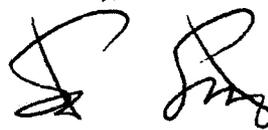
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Thank you for your time on this matter that is critically important to all Wisconsin electric customers.

Sincerely,



Vice President Business and Regulatory Strategy



1425 Corporate Center Drive Sun Prairie, WI 53590-9109 608.834.4500 wppienergy.org

February 14, 2024

Dear Chairman Steffen and Members of the Assembly Committee on Energy and Utilities,

WPPI Energy and our members have a long history of supporting regulated community solar. In fact, in 2015, WPPI Energy members New Richmond and River Falls were the first regulated utilities in Wisconsin to install a community solar array in their service territory. These community solar arrays were approved by the Public Service Commission of Wisconsin after a thorough vetting process to ensure non-participating customers were not subsidizing any costs associated with the projects.

Assembly Bill 258, as drafted, does not contain language that prevents a non-participating utility customer from paying the costs associated with their neighbor buying a community solar product from an unregulated solar developer. Nor does AB 258 contain language assuring safety for grid operators, consumer protections against predatory sales practices or preferences that a skilled, licensed, and local workforce will be used to construct the facility.

Simply stated, this bill would subsidize private solar developers at the expense of utility customers across the state by mandating that utilities buy energy from unregulated community solar arrays at a cost higher than market rate. The "savings" realized by a customer participating in a community solar project, as specified in AB 258, would be generated by charging an inflated cost to the local utility for the solar output and collecting those cost overruns from non-participating customers.

Though WPPI Energy and its 41 Wisconsin members are carved out of AB 258, we strongly oppose it as it is a sharp divergence from Wisconsin's effective utility regulatory model.

Thank you for your consideration and your service to the State of Wisconsin,

A handwritten signature in blue ink, appearing to read "Joseph Owen", written in a cursive style.

Joseph Owen
Director of Government Affairs, WPPI Energy



February 14, 2024,

Chairman Steffen and members of the Energy and Utilities Committee:

Thank you for this opportunity to testify on behalf of AB 258, otherwise known as the Community Solar Bill. My name is Ryan Huebsch, and I am the Executive Director of the non-profit organization called the Wisconsin Conservative Energy Forum. The Conservative Energy Forum believes that when conservatives retreat from issues like energy due to partisan polarization and fail to engage in the debate, we lose a seat at the table on policy decisions.

In the past, Wisconsin conservatives have led the way with proactive and forward-thinking small government solutions. We believe we can do so again by providing a long-absent voice for conservatives in the energy debate and by engaging our conservative friends and colleagues in sound, free-market clean energy policies that adhere to our conservative principles, as well as promote conservative support for an “all of the above” energy policy that honors our conservation past and embraces innovative clean and renewable energy solutions of the future.

One such renewable energy solution is before you today. Assembly Bill 258 allows for the construction of small, community solar facilities that have the capability to provide power to more than 1,000 homes.

We are all familiar with the vital service our utility companies provide. The lights are on, the computers hum, and our essential smartphones are charged because MG&E, Alliant, and the rest of our investor-owned utilities and co-ops are there. They are responsible for providing uninterrupted energy across our state. The bill before you today does not seek to diminish their importance nor jeopardize their constant flow of energy.

Renewable energy, including solar, is an exciting and growing part of our state’s energy portfolio. But we all know that rooftop solar panels on homes and apartment buildings are currently either financially out of reach for many or impractical for others. A community solar project allows a developer to construct a solar facility on land that is currently unused, due to blight, unsuitability for agricultural purposes, or for other reasons.

Once established, consumers who would otherwise be unable to construct and access solar energy for themselves are able to subscribe to the project and receive some of their energy from that facility. Put simply, Wisconsinites who would like to use solar energy will now have that option and could see a 10% savings on their monthly electric bills.

Others testifying on this bill will tell you about the many economic and environmental advantages of a community solar project. Those benefits reach well beyond the savings to the end user. Jobs created by the construction of the facilities, avoided transmission projects that have been costly and divisive, increased state GDP, and substantially increased investment in the local community are just a few of the many benefits.

The most compelling reason to support AB 258 is the opportunity you provide your constituents and people across our state to take another step toward an “all of the above” approach to their energy usage. The Wisconsin Conservative Energy Forum urges your support of AB 258.

Thank you for your attention.



To: Members, Assembly Committee on Energy and Utilities
From: Kristin Gilkes, Executive Director, Customers First Coalition
Re: Assembly Bill 258, relating to third-party owned community solar installations
Date: February 14, 2024

The Customers First Coalition (CFC) supports community solar projects and an expansion of community solar installations across the state that work within Wisconsin's effective utility regulatory structure, because, when designed correctly, they can help promote renewable energy development while protecting all utility customers.

As drafted, Assembly Bill 258 does not achieve that balance. Non-participating utility customers would likely face higher energy costs under the program suggested in this legislation, while subscribers to the programs would have no claim to the renewable energy credits generated by the new community solar system.

This bill would create significant changes to Wisconsin's utility regulatory structure by allowing third party community solar companies to offer deals to some utility customers, at the expense of others, as the legislation explicitly calls for shifting community solar participation costs onto non-participating utility customers. Instead of creating a program that repeats the mistakes made in other states that have adopted similar legislation, if Wisconsin chooses to expand community solar offerings, we should do so in a thoughtful way that protects customers and respects Wisconsin's effective regulatory model.

While we support properly-structured community solar projects, we oppose Assembly Bill 258 for the following reasons:

- ▲ Essentially, this legislation allows for a middleman between utilities and customers, offering power at a price that guarantees the middleman's profitability, while shifting the risk and expense to all other utility customers.
- ▲ Meanwhile, subscribing customers might not really be getting renewable energy for their investment; as the bill gives subscriber organizations the right to retain the tradeable renewable energy attributes associated with projects and the profits from monetizing them.
- ▲ Additional grid interconnection and administrative costs caused by the subscriber organizations could unprecedentedly be passed onto all utility customers.

CFC's support for community solar projects that fit within Wisconsin's regulatory framework dates back years. In 2017, our Coalition issued a Community Solar Whitepaper describing community solar projects that are working to both spur renewable energy while protecting non-participating customers. Additionally, Wisconsin's regulated, investor-owned utilities currently offer customers an option to offset their entire bill with renewable energy in a way that accurately reflects system costs, and Wisconsin utilities are investing in solar installations that benefit all of their customers.

*For more information, contact: Kristin Gilkes, Executive Director, Customers First Coalition, 608-286-0784 or kristin@customersfirst.org. Find CFC's 2017 Community Solar Whitepaper on our website at <https://www.customersfirst.org/media>. Listen to our May 2021 **Electric Wire** Podcast Episode titled "[Hot Take: Community Solar](#)" wherever you get your podcasts.*