



March 29, 2022

Mr. Cru Stublely  
Public Service Commission  
P.O. Box 7854  
Madison, WI 53707-7854

**RE: Quadrennial Planning Process IV Phase I Memorandum**

Dear Cru Stublely:

RENEW Wisconsin (RENEW) appreciates the opportunity to comment on the Public Service Commission (Commission) staff's Quadrennial Planning Process IV Phase I.

**Introduction & Summary:**

The Focus on Energy<sup>®</sup> Program (Focus) has been at the forefront of innovation and cost-effectiveness for two decades. Focus has transformed the market, supported jobs in industries related to energy efficiency (EE) and renewable energy (RE), and also helped utility customers save money on their utility bills.

Wisconsin sends, on average, more than \$12 billion out of the state each year to import fossil fuels (Executive Order 38).<sup>1</sup> Focus has reduced energy consumption and the amount of money that would have been spent on fuel imports, resulting in positive net economic impacts and freeing up dollars to be spent locally on goods and services, boosting Wisconsin's regional industries and statewide economy.<sup>2</sup>

Moving forward, Focus has a unique opportunity to support Wisconsin's climate goals, as stated in Executive Order 38, boost energy jobs, and ensure equitable access to energy services for all residents. The next Quad is the perfect opportunity to build on Focus' success and modernize its offerings to meet current challenges related to carbon emission, energy independence, and affordability.

The Commission must prioritize equitable decarbonization through electrification, collaboration with utilities, and enhanced offerings and metrics for income-qualified customers. RENEW explicitly supports the following:

**Decarbonization Alternatives:**

**Alternative One:** Prioritize cost-effective emission reductions program offerings.

**Sub-Alternative C:** Direct the existing evaluation Work Group to develop recommendations to improve tracking of the program’s carbon emissions.

**Emphasis on Electrification Program Offering:**

**(a) Alternative One:** Allow Focus to support beneficial electrification and fuel switching from unregulated fuels.

**(b) Alternative One:** Expand beneficial electrification offerings.

**Voluntary Utility Programs:**

**Alternative Two:** A framework for enhanced collaboration between Focus and utilities.

**Collaboration Between Focus and Utility Demand Response Programs:**

**Alternative One:** Collaborate with utilities to develop a clear framework for demand response programs.

**Income Qualified Programs:**

**(a) Alternative Five:** Focus should take steps pursuant to the Commission’s discussion.

**(b) Sub-Alternative A:** Direct Program Administrator to convene a stakeholder group that includes community-based organizations working with marginalized communities to gather input on methods to reduce barriers in order to effectively reach customers.

**Phase 1: Macro Policies and Priorities:**

**I. ALIGNING FOCUS ON ENERGY GOALS AND PROGRAM OFFERINGS WITH DECARBONIZATION GOALS**

The commission should prioritize consideration of carbon emission goals and select **Alternative One**. *The Focus program should expand and enhance its role in cost effectively reducing carbon emissions by emphasizing carbon emissions reduction benefits and energy use and demand savings.* Alternative One provides the best opportunity to reduce the economic, safety, and public health risk factors associated with carbon emissions.<sup>3</sup> Prioritizing carbon emission in the next Quad will provide the following benefits:

1. **Lower the state’s dependence on imported fuels.** Energy production outside of the transportation sector represents 57 percent of Wisconsin’s GHG emissions.<sup>4</sup> Focus must prioritize energy savings from carbon-intense activities such as fossil fuel generation and onsite fuel combustion for space and water heating in residential, commercial, and industrial facilities. These Focus actions will, in turn, reduce the need for imported fuels.

2. **Support beneficial electrification and development of renewable energy to provide carbon-free, homegrown energy to offset the import of combustible fuels.**

According to the *Rooftop Potential Solar PV Study*:

*There will be nearly 39 gigawatts (GW) of technically feasible rooftop solar capacity in Wisconsin by 2034.<sup>5</sup> This is enough capacity to provide around 70% of our total statewide electricity needs. Unfortunately, only 1.6% of this is projected to be adopted by 2034, given our current set of economic and regulatory factors.*

The Commission must support renewable energy development through Focus to reduce dependence on imported energy, keep energy dollars in the Wisconsin economy, support jobs, and reduce carbon emissions.

3. **Ensure the long-term success of the Focus Program.** Focus' reliance on energy efficiency measures such as efficient Light Emitting Diode (LED) lighting (27 percent of the total portfolio savings in 2020),<sup>6</sup> puts the program at risk of falling short of its energy savings goals in the future. While opportunities to achieve energy savings can be limited by market factors such as the potential adoption of new – more stringent – energy codes, the Wisconsin market provides ample opportunities to achieve carbon emission reductions. The future success of the Focus program will be determined – in part – by its ability to effectively reduce carbon emissions.

In short, emissions reductions from energy savings and renewable energy generation can stimulate additional economic activity and make Wisconsin a more attractive place to live and work.<sup>7</sup> Focus can play a significant role in supporting these objectives by prioritizing carbon emission in the next Quad and beyond.

RENEW supports **Sub-Alternative C**: *Direct the Work Group to develop recommendations to operationalize enhanced and tracking of the program's carbon emissions reduction impacts for the purposes of program evaluation and performance tracking.*

The Commission should prioritize the most robust and cost-effective approach to operationalize enhanced measurement and tracking of the program's carbon emissions reduction impacts. When possible, The Commission should prioritize the development of Key Performance Indicators (KPIs) that allow benchmarking the performance of Focus across different regions and states.

## II. ELECTRIFICATION PROGRAMS AND OFFERINGS

RENEW supports **Alternative One**: *Allow Focus to directly support beneficial electrification where fuel switching from unregulated fuels to electricity provided by a participating utility occurs through its own programs and offerings.*

State of Wisconsin's 1994 Energy Priorities Law directs the Department of Administration (DOA) and the Commission to make energy-related decisions that prioritize the following objectives: secure adequate future supplies of energy, reduce the environmental effects of energy

systems powered by carbon-based fuels, and reduce the flow of capital out of Wisconsin for the purchase of energy. Focus can contribute to these objectives in the following ways:

1. **Support renewable energy to secure adequate future supplies of energy for Wisconsin, and limit supply risks such as price volatility resulting from the globalization of energy markets.**
2. **Reduce consumption of unregulated fuels (propane and heating oil) to limit the public health and environmental risks associated with energy systems powered by carbon-based fuels (Executive Order 38).**<sup>8</sup> The consumption of unregulated carbon-based fuels is potentially detrimental to Wisconsin's economy and the environment – regardless of the suppliers' relationship with Focus (in other words, unregulated utilities are not helping mitigate the burden resulting from their activity).
3. **Support energy efficiency and homegrown renewable energy to reduce the flow of capital out of Wisconsin for the purchase of energy (Executive Order 38).**<sup>9</sup> It is estimated that Wisconsin households could save \$410 million a year on energy bills if they were using modern, electrified furnaces and water heaters instead of their current machines.<sup>10</sup>

Other energy efficiency programs such as Massachusetts' Mass Saves<sup>®</sup>,<sup>11</sup> Efficiency Maine,<sup>12</sup> and Efficiency Vermont<sup>13</sup> directly support beneficial electrification by providing incentives for heat pumps to utility customers upgrading from oil, propane, and natural gas heating systems.

In short, fuel switching supports enhanced and equitable access to energy, energy efficiency, and renewable energy. Propane users in Wisconsin tend to be rural communities, thus supporting fuel switching from oil and propane to electricity provides additional opportunities to support all utility customers statewide.

The commission should also prioritize beneficial electrification initiatives during Quad IV and select **Alternative One**: *Focus shall design and implement beneficial electrification initiatives during Quad IV that seek to expand and enhance Focus' role in supporting and promoting beneficial electrification statewide while achieving measurable results.*

RENEW supports the implementation, expansion, and promotion of beneficial electrification initiatives because it is consistent with the energy priorities established by Wisconsin's 1994 Energy Priorities Law.

The State of Wisconsin's 1994 Energy Priorities Law prescribes the priorities for meeting energy demands (to the extent cost-effective and technically feasible) in the following order:

- (a) *Energy conservation and efficiency.*
- (b) *Noncombustible renewable energy resources.*
- (c) *Combustible renewable energy resources.*
- (d) *Nonrenewable combustible energy resources, in the order listed:*
  1. *Natural gas.*
  2. *Oil or coal with a Sulphur content of less than 1%.*
  3. *All other carbon-based fuels*

According to the 2020 Governor’s Task Force on Climate Change Report, the power sector provides the largest opportunity for cost-effective GHG emissions reductions, with most of the emissions reductions expected to come from utility-scale renewable energy projects.<sup>14</sup> These projects will power electrified homes and businesses with emissions-free, home-grown electricity, thus reducing the health and environmental risks associated with emission and the flow of capital out of Wisconsin for the purchase of energy. Furthermore, beneficial electrification is the only pathway to decarbonize some segments of the market, such as home heating.

In summary, beneficial electrification supports the objectives of Executive Order 38. The Wisconsin market is ready to grow the number of all-electric buildings in our building stock, as evidenced by the increasing interest in the construction of all-electric homes,<sup>15</sup> schools,<sup>16</sup> and commercial facilities.<sup>17</sup> Focus can and should play an important role in the transition to efficient all-electric buildings.

### III. UTILITY VOLUNTARY PROGRAMS

RENEW supports **Alternative Two**: *A formal framework for enhanced collaboration between Focus and utilities shall be established, with modifications to the guidance described in this memorandum.*

Alternative Two leverages Focus’ infrastructure (brand, relationships, the trade allies’ network, administrative capacity, marketing channels, etc.), while also allowing utilities to allocate additional resources for energy efficiency efforts. This alternative also allows flexible collaboration between the utility and Focus and gives utilities an additional opportunity to strengthen their relationship with their customers. For example, the We Energies’ Voluntary Design Assistance Program<sup>18</sup> has added additional dollars to fund energy services even when the statewide Focus budget is fully spent, which results in additional benefits to We Energies’ customers. Finally, this approach can help streamline participation for utility customers, making Focus a “One-Stop-Shop” for all energy efficiency and renewable energy services.

### IV. COLLABORATION BETWEEN FOCUS AND UTILITY DEMAND RESPONSE PROGRAMS

RENEW supports **Alternative One**: *Focus should expand and enhance its role in collaborating with utility demand response programs in Quad IV by developing a process framework consistent with the discussion in this memorandum.*

RENEW supports enhancement of Focus’ role in demand response offerings for the following reasons:

1. **Properly account for the time-varying value of energy efficiency savings.**<sup>19</sup> The energy grid is a dynamic system and the true benefits of energy efficiency savings are determined by the season and hour of the day that the energy reductions occur. For example, energy saving measures that reduce power consumption during peak times

deliver more value to the grid than measures that save energy when power is abundant and inexpensive.

2. **Support the policy recommendations of The Governor’s Task Force on Climate Change Report<sup>20</sup> (December 2020) asking that the Commission should establish programs to incentivize load management, including demand response.**
3. **Support utility infrastructure planning, particularly related to deferral of transmission and distribution system infrastructure upgrades.<sup>21</sup>** In combination with renewable energy and storage, demand response provides a robust tool that utilities can use to delay or eliminate the need for updates to the grid in some areas by adding capacity.<sup>22</sup>

In short, several utilities are implementing or planning to implement demand response pilots (such as Madison Gas & Electric’s MGE Connect<sup>®</sup> and Alliant Energy’s Smart Hours pilots). These pilots signal utilities’ interest and willingness to engage with demand response. Focus has an opportunity to improve the adoption of demand response by establishing protocols and systems to ensure the most cost-effective implementation of demand response offerings. This potential collaboration could strengthen Focus’ brand and its relationship with utilities, and streamline participation for utility customers, and again make Focus a “One-Stop-Shop” for all energy efficiency and renewable energy services.

## V. AFFORDABILITY –LOW-INCOME AND INCOME-QUALIFIED PROGRAMS AND OFFERINGS

RENEW recommends that the Commission explore a combination of alternatives that include features contained in **Alternative Two and Alternative Three**.

**Alternative Two:** *The Focus program should continue to offer income-qualified programs but coordinate with the DOA weatherization programs to further fill potential gaps in its low-income offerings.*

Focus’ income-qualified (IQ) offerings will improve if the Commission provides guidance to enhance collaboration between Focus and the DOA weatherization programs. Currently, low-income Wisconsinites face high energy burdens and live in unsafe, unhealthy housing. Seventy percent of households under the federal poverty line (FPL) are paying 6 percent or more of their income to energy bills compared to the 14 percent above the FPL.<sup>23</sup> Access to retrofit services can be difficult, and existing programs can be hard to navigate. RENEW supports coordination with other energy-related services/agencies to reduce the marginal cost of customer acquisition and to overcome some of the challenges related to customer outreach in low-income markets.

RENEW also endorses the following recommendations made by the RMI team:

1. **Collaborate and stack funding with the DOA to ensure Whole-Home retrofits are available.**

2. **Collaborate with the DOA to unify access to retrofits by developing a “One-Stop-Shop” program.**
3. **Provide instant incentives for IQ offerings:** IQ participants may struggle to afford an appliance upgrade through the program’s current offerings if they don’t receive the incentive at the time of purchase. Providing instant incentives makes Focus offerings more accessible.

**Alternative Three:** *The Focus program should continue to offer income-qualified programs and should additionally explore developing community-based pilots in one or more targeted communities.*

RENEW encourages the Commission to set adequate funding for innovative community-based pilots. These pilots should prioritize the following objectives:

1. **Reduce or eliminate barriers to participation such as split incentives.**<sup>24</sup>
2. **Strategic outreach:** target participation based on payment-troubled status (e.g., high arrears, broken payment plan, disconnection, or multiple disconnect notices).
3. **Support training and development of cultural competence for successful marketing and outreach in underrepresented communities.**

RENEW recommends that the Commission prioritize **Sub-Alternative A:** *Direct the Focus Program Administrator to convene a stakeholder group that includes community-based organizations that work with marginalized communities to gather input on effective methods to reduce barriers in order to effectively reach these customers.*

RENEW encourages the Commission to prioritize engagement of stakeholder groups that include community-based organizations with deep knowledge of underrepresented communities. The Commission should prioritize the development of KPIs that capture the value and complexity of markets in low-income communities, as cost-effectiveness alone creates disincentives to engage with low-income customers in paid-for-performance energy efficiency programs.<sup>25</sup>

Sincerely,



Francisco Sayu  
Emerging Technologies Program Director  
RENEW Wisconsin

---

<sup>1</sup> Executive Order. No. 38 – Governor Tony Evers, 2019.

<sup>2</sup> Cadmus, Apex Analytics, and Nexant. 2020. *Focus on Energy Calendar Year 2020 Evaluation Report.*

<sup>3</sup> "Health-air-quality-impacts-of-buildings-emissions" 2017. RMI, <https://rmi.org/health-air-quality-impacts-of-buildings-emissions/#WI> (March 23, 2022)

<sup>4</sup> *Governors Task Force on Climate Change Report.* 2020.

<sup>5</sup> Eckstein, Jeremy et al. 2021. *Focus on Energy 2021 Rooftop Solar Potential Study Report.*

- 
- <sup>6</sup> Eckstein, Jeremy et al. 2021. *Focus on Energy 2021 Rooftop Solar Potential Study Report*.
- <sup>7</sup> Cadmus, Apex Analytics, and Nexant. 2020. *Focus on Energy Calendar Year 2020 Evaluation Report*.
- <sup>8</sup> Executive Order. No. 38 - Governor Tony Evers, 2019.
- <sup>9</sup> Executive Order. No. 38 - Governor Tony Evers, 2019.
- <sup>10</sup> "Benefits of Electrification WI." 2022 *Rewiring America*. <https://map.rewiringamerica.org/states/wisconsin-wi> (March 23, 2022).
- <sup>11</sup> "Heat Pump Rebates." 2022. *Mass Save*. <https://www.masssave.com/saving/business-rebates/ci-heat-pump> (March 23, 2022).
- <sup>12</sup> "Heat Pumps." 2022. *Efficiency Maine*. <https://www.efficiencymaine.com/heat-pumps/> (March 23, 2022).
- <sup>13</sup> "Ductless Heat Pumps." 2022. *Vermont Efficiency*. <https://www.efficiencyvermont.com/rebates/list/heat-pump-heating-cooling-system>.
- <sup>14</sup> *Governors Task Force on Climate Change Report*. 2020.
- <sup>15</sup> "Tim O'Brien Homes Goes Big With Net Zero" 2022 *constructutopia* <https://constructutopia.com/net-zero-homes/tim-obrien-homes> (March 23, 2022).
- <sup>16</sup> "Sun Prairie Schools Rewarde for Commitment to Reduce Energy Waste." 2018. *Focus on Energy*. <https://focusonenergy.com/success-stories/sun-prairie-schools-rewarded-commitment-reduce-energy-waste>.
- <sup>17</sup> Shown, Leslie. 2014. "Engineering Professor James Tinjum Partnering with Epic on Geothermal Wells." *Wisconsin Energy Institute*. <https://energy.wisc.edu/news/engineering-professor-james-tinjum-partnering-epic-geothermal-wells> (March 23, 2022).
- <sup>18</sup> Public Service Commission of Wisconsin Reference No.398419, 2020.
- <sup>19</sup> Mims, Natalie, Tom Eckman, and Charles Goldman. 2017. "Time-Varying Value of Electric Energy Efficiency."
- <sup>20</sup> *Governors Task Force on Climate Change Report*. 2020.
- <sup>21</sup> Mims, Natalie, Tom Eckman, and Charles Goldman. 2017. "Time-Varying Value of Electric Energy Efficiency."
- <sup>22</sup> Tweed, Katherine. 2014. "A New Kind of Demand-Side Program Will Be a Training Ground for Future Reforms in New York." *Greentech Media*. <https://www.greentechmedia.com/articles/read/con-ed-looks-to-batteries-microgrids-and-efficiency-to-delay-lb-substation> (March 23, 2022).
- <sup>23</sup> The Robert M. La Follette School of Public Affairs, University of Wisconsin–Madison. *Addressing Energy Poverty in Wisconsin Communities* [https://lafollette.wisc.edu/images/publications/workshops/2021\\_PSC\\_Energy\\_report.pdf](https://lafollette.wisc.edu/images/publications/workshops/2021_PSC_Energy_report.pdf). (March 23, 2022).
- <sup>24</sup> Melvin, Jesse. 2018. "Energy Policy." *ScienceDirect* 115: 342–52.
- <sup>25</sup> Borgeson, Merrian. 2017. "Can Paying-For-Performance Increase Energy Savings." *NRDC*. <https://www.nrdc.org/experts/merrian-borgeson/can-paying-performance-increase-energy-savings> (March 23, 2022).