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Public Service Commission of Wisconsin
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June 3rd, 2022

Public Service Commission of Wisconsin
Attn: Tanner Blair
4822 Madison Yards Way
Madison, WI 53705-9100

Re: Support for Distributed Energy Resource Third-Party Financing Docket 9300-DR-106

To whom it may concern,

I'm writing today to express my support for action by the Public Service Commission of Wisconsin (PSC) to address the ambiguities surrounding the legality of third-party financing agreements for distributed energy resource purchase and installation by acting on Vote Solar's petition (Docket ID: 9300-DR-106).

The question of whether third-party financing is allowed in Wisconsin has been left unresolved for about a decade, if not longer. Utilities, customers, and installers alike have sought clarity on this issue from the PSC dating back to at least 2012, but have failed to see a resolution despite multiple requests of the Commission and the courts system. As a legislator long-engaged on the subject of energy policy, I worked with Representative Rachael Cabral-Guevara this legislative session to introduce bipartisan legislation – 2021 Senate Bill 702 and Assembly Bill 731 – meant to spur discussions among legislators and incentivize actions from the PSC as the experts in utility regulation and energy policy. During the circulation process and after introduction, I heard a host of feedback from colleagues and skeptical stakeholders, many of which stated their preference for having the experts at the PSC address this common-sense issue given the broad scope of powers endowed to the Commission.

Around a decade after this issue first emerged in the PSC's purview, the courts and the legislature have declined to act – both now turning to the PSC and expecting the Commissioners and staff to fulfil their basic obligations to make a determination. It's my opinion that the Commission has the authority to allow third-party financing and that the Commission should allow third-party financing, but any determination made by the Commission is better than no determination as it would clarify ambiguities and entice other branches of government, including the courts and the legislature, to intervene as necessary. Additionally, the Commission certainly is best suited in state government to address these issues given the expertise at your disposal – expertise which is current addressing other interconnection-related issues that the Commission finds is in its purview including parallel generation tariffs and updating Ch. PSC 119, Admin. Code, regarding interconnecting distributed generation facilities.

Despite continued efforts by the state's regulated utilities to make it less desirable to have distributed energy resources outside of a utility-constructed and managed program, Wisconsinites have time and time again shown that they're willing to install and maintain distributed resources, primarily solar panels, because of the long-term environmental and human health benefits, even despite economic return concerns. While many Wisconsinites

have gone ahead with installations through cash payments or other payment methods, some Wisconsin families, schools, farms, places of worship, non-profit organizations, local governmental bodies, and others have been blocked from reaping the benefits of distributed energy resources such as solar panels and manure digesters generating electricity because of the gray area resulting from Commission inaction. Other state's energy regulatory bodies, including Arizona, Colorado, Florida, New Hampshire, Ohio, Oregon and Pennsylvania, along with the District of Columbia, have already acted to clarify the legality of third-party financing of renewable energy improvements on public and private properties. Additionally, residents of our neighboring states in Illinois, Iowa, Michigan, and Minnesota may choose to finance the installation of solar panels or other renewable resources if they can't afford the upfront cost. So why can't we do the same in Wisconsin?

Providing the ability for Wisconsinites, both individual property owners and corporations or other organized entities (i.e. churches or other places of worship, local governmental bodies, non-profit organizations, etc.) to pass the initial up-front costs to an entity with greater access to financial capital to purchase and install a distributed energy resource does not interfere with the regulated utility model in Wisconsin just as the financing of energy efficiency improvements does not interfere with the regulated utility model in Wisconsin. Instead, it's a simple way to allow for more Wisconsinites who may not have the initial costs for a renewables system sitting in a bank account to fulfil their goals of generating renewable and distributed electricity on their own property. Just as has happened in other states, clarifying the legality of third-party financing does not interfere with any interconnection standards or fees or low buy-back rates as advocated for by utilities, similar to the aforementioned efforts that the PSC is actively undertaking. Instead, we simply recognize that a neighbor helping a neighbor afford rooftop solar panels is a monetary arrangement and not the actions of a regulated utility. My hope is that the Commission will recognize this reality and vote to support the legality of third-party financing arrangements.

Sincerely,

A handwritten signature in black ink, appearing to read 'R. Cowles', is written over a light gray rectangular background.

Senator Robert L. Cowles
Serving Wisconsin's 2nd Senate District
Chair, Senate Committee on Natural Resources and Energy