**PUBLIC SERVICE COMMISSION OF WISCONSIN**

Quadrennial Planning Process

5-GF-191

Renewable Resource Guidelines

ORDER

2005 Wisconsin Act 141 (Act 141) requires the Commission to conduct a review of energy efficiency and renewable resource programs at least once every four years. The Commission is required to evaluate the programs and determine their appropriate goals, priorities, and measurable targets.

The Commission addressed these issues in docket 5-GF-191, the Quadrennial Planning Process. One decision made in this docket was that the cost-effectiveness of customer-sited renewable resource measures and programs should be determined in the same manner as energy efficiency measures and programs, as this will allow a direct comparison between the two valuable resource types. However, the Commission recognized that customer-sited renewable resource measures have specific attributes that are not adequately reflected in the standard cost-effectiveness tests. The Commission therefore determined it appropriate for public policy to guide decisions regarding the incorporation of renewable resources in the portfolio of Focus on Energy programs and directed Commission staff to develop criteria to guide these decisions.

In its prior Order in docket 5-GF-191, dated October 27, 2011, the Commission approved the criteria to be used to guide these renewable resource decisions. The Commission directed the Focus on Energy Program Administrator to work with Commission staff to develop a list of

Docket 5-GF-191

renewable resources to be included in the Focus on Energy program portfolio and a corresponding budget to capture these renewable resources. The Commission further determined that the Commission would have final approval of the renewable resource measures and the budget allocated to these measures.

On April 4, 2012, the Program Administrator submitted its "Focus on Energy Renewable Energy Technology Evaluation." The report provided a review of renewable resource technologies to determine which are suitable for implementation in Wisconsin. Suitable technologies were evaluated to determine both the cost-effectiveness of the technology, based on the Commission-approved Total Resource Cost Test, and non-monetary benefits, based on the criteria developed by the Commission. After these analyses were completed, the Program Administrator modeled the impact of various renewable energy measures on the cost-effectiveness of the Focus on Energy program portfolio at various renewable resource funding levels.

At its open meeting of April 13, 2012, the Commission considered the appropriate mix and funding level of renewable resource measures in the Focus on Energy program portfolio.

The Commission finds that an appropriate annual renewable resource incentive funding level for each of 2012, 2013, and 2014 is not to exceed \$10 million. Because \$7.9 million in renewable resource incentives will be paid out in 2012 for previously approved projects, no further restrictions need to be placed on 2012 renewable resource projects. For 2013 and 2014, the renewable resource incentives shall be allocated 75 percent to biomass, biogas, and geothermal technologies, and 25 percent of the incentives shall be allocated to solar thermal, photovoltaic, and wind technologies. Additionally, the \$10 million renewable resource incentive

Docket 5-GF-191

funding level is contingent upon maintaining a Focus on Energy program portfolio benefit-to-cost ratio of at least 2.3 and a reduction in energy savings of the portfolio of programs due to the inclusion of renewable resource measures of no more than 7.5 percent.

Based upon these findings, the Commission orders:

1. Available renewable resource incentive funding for 2012 is \$10 million, including incentives that will be paid out in 2012 for previously approved projects.

2. Available annual renewable resource incentive funding for each of 2013 and 2014 is \$10 million, inclusive of incentives that will be paid out for previously approved projects.

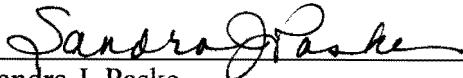
3. In 2013 and 2014, 75 percent of the renewable resource incentives will be available for biomass, biogas, and geothermal technologies, and 25 percent will be available for solar thermal, photovoltaic, and wind technologies.

4. In 2013 and 2014, the \$10 million renewable resource incentive funding is contingent upon maintaining a Focus on Energy program portfolio benefit-to-cost ratio of at least 2.3 and a reduction in energy savings of the portfolio of programs due to the inclusion of renewable resource measures of no more than 7.5 percent.

5. Jurisdiction is retained.

Dated at Madison, Wisconsin, April 26, 2012

By the Commission:



Sandra J. Paske
Secretary to the Commission

SJP:CAS:cmk:DL:00557153

See attached Notice of Rights

PUBLIC SERVICE COMMISSION OF WISCONSIN
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**NOTICE OF RIGHTS FOR REHEARING OR JUDICIAL REVIEW, THE
TIMES ALLOWED FOR EACH, AND THE IDENTIFICATION OF THE
PARTY TO BE NAMED AS RESPONDENT**

The following notice is served on you as part of the Commission's written decision. This general notice is for the purpose of ensuring compliance with Wis. Stat. § 227.48(2), and does not constitute a conclusion or admission that any particular party or person is necessarily aggrieved or that any particular decision or order is final or judicially reviewable.

PETITION FOR REHEARING

If this decision is an order following a contested case proceeding as defined in Wis. Stat. § 227.01(3), a person aggrieved by the decision has a right to petition the Commission for rehearing within 20 days of mailing of this decision, as provided in Wis. Stat. § 227.49. The mailing date is shown on the first page. If there is no date on the first page, the date of mailing is shown immediately above the signature line. The petition for rehearing must be filed with the Public Service Commission of Wisconsin and served on the parties. An appeal of this decision may also be taken directly to circuit court through the filing of a petition for judicial review. It is not necessary to first petition for rehearing.

PETITION FOR JUDICIAL REVIEW

A person aggrieved by this decision has a right to petition for judicial review as provided in Wis. Stat. § 227.53. In a contested case, the petition must be filed in circuit court and served upon the Public Service Commission of Wisconsin within 30 days of mailing of this decision if there has been no petition for rehearing. If a timely petition for rehearing has been filed, the petition for judicial review must be filed within 30 days of mailing of the order finally disposing of the petition for rehearing, or within 30 days after the final disposition of the petition for rehearing by operation of law pursuant to Wis. Stat. § 227.49(5), whichever is sooner. If an *untimely* petition for rehearing is filed, the 30-day period to petition for judicial review commences the date the Commission mailed its original decision.¹ The Public Service Commission of Wisconsin must be named as respondent in the petition for judicial review.

If this decision is an order denying rehearing, a person aggrieved who wishes to appeal must seek judicial review rather than rehearing. A second petition for rehearing is not permitted.

Revised: December 17, 2008

¹ See *State v. Currier*, 2006 WI App 12, 288 Wis. 2d 693, 709 N.W.2d 520.