



Focus Renewable Energy Decisions

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Past Policy

- Renewable resource programs required by Act 9 and Act 141
- Purpose of programs was to increase awareness, develop infrastructure
- Not required to meet cost-effectiveness tests



5-GF-191 Policy Decisions Affecting Renewable Resource Programs

- Required cost-effective tests
 - Modified TRC (SO_x , NO_x , CO_2)
 - Utility/Program Administrator

- Additional test
 - Expanded (portfolio level only) for possible inclusion of non cost-effective measures



5-GF-191 (cont.)

- Cost-effectiveness values
 - Avoided energy costs based on a three-year historical average of LMPs
 - 2 percent real discount rate
 - Levelized carbon value of \$30/ton
- Renewable resources
 - Cost effectiveness determined in same manner as energy efficiency
 - Public policy dictates inclusion of non cost-effective renewable resources



Change Needed

- Renewable resources became more mainstream
- Renewable resource expenditures exploded in 2011
 - 28% of 2011 budget expected to be for renewable resource projects
 - Account for only about 4% of expected savings
 - The portfolio was in danger of not being cost-effective



Recent 5-GF-191 Decisions

- Additional renewable resource criteria
 - Only applies to non cost-effective renewables
 - Used for prioritization
- Commission has final approval of budgets and measures
 - Cost-effective renewable measures will be included
 - Non cost-effective renewable measures will be included to the extent that a reasonable portfolio level cost-effectiveness can be maintained
- Avoided energy costs will be based on long-term electricity price forecasts
- EERD funding reduced to \$100,000/year



Renewable Energy Timeline



Activity

Prepare list of commercially available technologies for each renewable resource

Identify technologies suitable for implementation in Wisconsin

Research technologies

Evaluate and rank technologies using provided criteria

Prepare draft report for review by Commission staff

Review of draft report by Commission staff

Incorporate comments from Commission staff

Finalize report and submit to Commission

Completion Date

01/18/2012

01/20/2012

01/27/2012

02/10/2012

02/17/2012

02/24/2012

02/28/2012

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