



Department of Administration

Tom Barrett
MayorSharon Robinson
DirectorErick Shambarger
Environmental Sustainability Director

Ms. Steffany Powell Coker
Secretary to the Commission
Public Service Commission of Wisconsin
PO Box 7854
Madison WI 53707

RE: 6630-TE-102

Dear Ms. Powell Coker

On behalf of the City of Milwaukee's Environmental Collaboration Office (ECO), I am writing to express our **qualified support** for Wisconsin Electric Power Company's (WEPCO) proposed Dedicated Renewable Energy Resource Pilot Tariff (DRER Tariff) and *Solar Now* Pilot Tariff. The City of Milwaukee has established bold renewable energy goals. As a very large customer with significant energy load, ECO understands that we need Wisconsin's largest utility to offer customers like us more renewable energy options to meet those goals. While we generally support WEPCO's proposals, we ask the Public Service Commission of Wisconsin (PSC) to consider various revisions that would give us more confidence to execute service agreements under the tariffs.

ECO supports **a robust and competitive rooftop solar market**. The PSC should regulate WEPCO's proposed tariffs *as a complement* to other options for building owners to finance and install renewable energy systems to meet their building energy loads. The availability of the *Solar Now* pilot program, for example, should not preclude building owners from constructing and financing distributed renewable energy systems through other lawful means and with other parties. As outlined in the City's *ReFresh Milwaukee* Sustainability Plan, ECO supports future PSC rulings or proceedings that examine and remove the regulatory and institutional barriers to a competitive distributed renewable energy market.

On January 11th 2018, City of Milwaukee Mayor Tom Barrett, Milwaukee County Executive Chris Abele, Milwaukee Area Technical College President Dr. Vicki Martin, and Milwaukee Metropolitan Sewerage District Executive Director Kevin Shafer sent a joint letter to WEPCO's parent company, We



City Hall, 200 East Wells Street, Room 603, Milwaukee, WI 53202



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Energies, expressing interest in collaborating with We Energies on utility-scale solar. The letter is attached as Attachment A.

Accordingly, ECO supports the development of large-scale, cost-effective renewable energy meeting three (3) objectives: 1) price stability (and, potentially, bill savings) over the long term; 2) measurable reductions in greenhouse gas emissions caused by our energy consumption; and 3) promoting the advancement of visible renewable energy systems in the City of Milwaukee and throughout Wisconsin.

While we generally support the proposed tariffs, we ask for the Commission to consider the following changes:

Solar Now Pilot Tariff

Renewable Energy Credits (RECs)

The Milwaukee Common Council has established a 25% renewable energy goal by 2025. In order for the City to achieve this goal, it needs to keep and retire the Renewable Energy Certificates (RECs) associated with solar projects it participates in. We therefore recommend modifications to the *Solar Now Pilot* that would allow the customer to obtain the RECs on the project. Based on the customer's preference, the RECs could either be transferred to the customer's account or retired by WEPCO on the customer's behalf.

Lease Payment Clarification and Certainty

Under the *Solar Now Pilot*, lease payments can vary over time based on MISO capacity accreditation and MISO Cost of New Entry. ECO suggests revision to this formula that would allow customers to get a fixed payment over the term of the agreement. Additionally, MISO policies and pricing are obscure to the general public. ECO urges the PSC and WEPCO to provide resources to better help potential customers understand the economics and risks associated with the *Solar Now* leases.

DRER Pilot Tariff

ECO generally supports WEPCO in proposing the DRER Tariff. ECO has worked closely with Milwaukee Area Technical College (MATC) and other local units of government in our review. As such we want to reiterate and support comments originally put forth by MATC (PSC REF#355584), noted below:

Bill Credit for Capacity

A customer under a DRER agreement for service should receive the full value of the capacity of the new generation facility being built directly as a result of and in proportion to its commitment and should result in predictable monthly credits for the duration of the term.

Bill Credit for Energy/MISO Charges

Clarification is needed regarding potential deductions from “MISO charges” that affect the Energy Credit Value.

Public and Local Procurement Process

DRER projects should be required to be constructed through an open and competitive process to ensure competitive pricing for the project. For projects constructed in the City of Milwaukee, WEPCO should strive to employ Milwaukee residents and include local contractors.

Renewable Energy Credits (RECs)

Customers for each project should receive 100% of the RECs associated with the energy generated by the dedicated renewable energy resource for the customer during the Term and should retain the RECs for excess generation over what is consumed at any given hour.

Excess Generation Beneficiaries

Customers under a DRER service agreement will seek to size their system as closely as possible to their respective energy load, since under the current proposal, excess generation benefits WEPCO. Nevertheless, customers bear risk in correctly making those sizing decisions, and oversizing the system could prove costly. To mitigate this risk, we request that the Commission consider directing the benefits derived from any excess generation from a DRER to programs that support a broader public good such as the Wisconsin Home Energy Assistance Program (WHEAP).

Aggregation

We request that the Commission reject the Tariff language that precludes any future aggregation opportunities for customers participating in the DRER Tariff.

Again, we generally support these proposed tariffs but thank you for your consideration of our suggested revisions to support affordable, reliable, and sustainable energy in Wisconsin.

Sincerely,



Erick Shambarger
Director of Environmental Sustainability
City of Milwaukee Environmental Collaboration Office

ATTACHMENT A



January 11, 2018

We Energies
231 W. Michigan St.
Milwaukee, WI 53203

To the Leadership of We Energies:

We, Milwaukee-area governments and institutions of higher education, write to you today to commend We Energies' recent steps to transition to a clean energy future. Our customers and constituents want Milwaukee to be a world-class eco-city that remains viable through innovation and clean energy technologies. We request that We Energies further engage large customers such as ourselves in planning and installing new renewable energy projects.

In recent years, we have adopted aggressive climate and energy-related policies and goals. Our relevance in attracting and retaining business, residents, and students is enhanced by our ability to source renewable energy. Though well-intentioned, participating in the Energy for Tomorrow program does not further reduce greenhouse gas emissions as new customers subscribe to it. We would like the demand from customers like ourselves to drive further investments in renewable electricity.

Now that renewable electricity has become cost-competitive with conventional energy sources, it's time to move to a new program design for delivering the objectives we seek from a utility renewable energy service: (1) price stability (and, potentially, bill savings) over the long term, (2) measurable reductions in greenhouse gas emissions caused by our energy consumption, and (3) new and additional installations of renewable energy that are visible to our local community.

Puget Sound Energy, a Washington utility, recently launched a renewable energy service designed to satisfy the sustainability requirements of large and medium sized customers - including governments and higher education institutions. Similarly, Madison Gas & Electric recently won approval from the Public Service Commission to create a green tariff for its commercial customers. In our view, these examples provide a model for utilities to offer affordable renewable energy through the grid to existing customers.

We would like to meet with We Energies to discuss opportunities for supporting even more new, large-scale renewable energy projects in Wisconsin. Our collective consumption is approximately 336,000,000 kWh, representing about 257 MW of solar capacity. We believe that clean, renewable energy will help our organizations' paths toward sustainability.

Please contact Erick Shambarger, City of Milwaukee Environmental Sustainability Director (eshamb@milwaukee.gov, 414-286-8556) to arrange a meeting to discuss this important request. We look forward to meeting with We Energies to discuss opportunities to work together on our sustainability and renewable energy plans.

Sincerely,



Tom Barrett
Mayor, City of Milwaukee



Chris Abele
Milwaukee County Executive



Dr. Vicki Martin
President, MATC



Kevin Shafer
Executive Director, MMSD

