

## Kuether-Steele, Molly

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**From:** Spiker, Scott  
**Sent:** Friday, February 14, 2020 8:32 AM  
**To:** Kuether-Steele, Molly  
**Cc:** Bauman, Robert; Lemmer, Jodi; Peterson, Todd  
**Subject:** Fw: Response to Michel Barnett Letter on Solar Dated Feb 8

Has this letter been added to the solar panel file for Thursday's PW? If not, could it be? Thanks.

-Alderman Scott Spiker

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**From:** Shambarger, Erick <Eshamb@milwaukee.gov>  
**Sent:** Monday, February 10, 2020 1:43 PM  
**To:** Bauman, Robert <rjbauma@milwaukee.gov>; Spiker, Scott <Scott.Spiker@milwaukee.gov>; Kovac, Nik <nkovac@milwaukee.gov>; Murphy, Michael (Alderman) <mmurph@milwaukee.gov>; Johnson, Cavalier <Cavalier.Johnson2@milwaukee.gov>; Borkowski, Mark <Mark.Borkowski@milwaukee.gov>  
**Cc:** Hittman, Elizabeth <Elizabeth.Hittman@milwaukee.gov>; Misky, David <dmisky@milwaukee.gov>  
**Subject:** Response to Michel Barnett Letter on Solar Dated Feb 8

Good afternoon,

I'm writing in response to Mr. Michael Barnett's letter from February 8<sup>th</sup> that has been added to Council file 191604. First, it should be noted that Mr. Barnett is neither a City of Milwaukee resident nor a We Energies ratepayer. He does not speak for Renew Wisconsin. Furthermore, I'm proposing Solar Now not as a "misinformed host," but as an experienced energy professional with the goals of rapidly scaling up the amount of renewable energy in Wisconsin, protecting the interests of local taxpayers, and supporting economic equity.

- 1) The "Alternative Tariff" referenced by Mr. Barnett is the Dedicated Renewable Energy Resource (DRER), which is also a We Energies program. I think the City should potentially use *both* Solar Now and the DRER. We can use Solar Now for the first eight acres of the landfill, and if the Council chooses, use the DRER for the remaining 30+ acres. However, Solar Now is a lower risk program to local taxpayers and provides nothing but revenue for the City. Under that program, the solar system is entirely paid for by We Energies (and admittedly, its rate payers from throughout their entire service territory), and the City gets a lease payment for use of the land. By contrast, under the DRER, the *City pays* for the cost of the solar array and receives the lease revenue + an additional revenue. You hope to break even on it, but there is a risk there. And if the revenue on Solar Now comes in lower than projected, we would also get lower revenue under the DRER since it uses the same formula for valuing capacity. So my thinking is start with Solar Now, and if we're comfortable with that, move on to the DRER. In fact, the revenue from the Solar Now project could hedge the financial risk of a DRER project or it could be used to fund additional City-owned solar on our own buildings. From my standpoint, using Solar Now is the most equitable funding approach for the most vulnerable in our city because the system costs are spread across the whole region.
- 2) The PSC has already approved ratepayer support of Solar Now. So the customers that utilize it first will get the benefit. New Berlin School District, UW-Parkside, and others are already getting revenue from this. I'd like to see Milwaukee benefit from this new revenue as well. And philosophically, I'm perfectly fine with ratepayer support of solar projects. I'd rather have that than continuing ratepayer support for fossil fuels only. If we don't use Solar Now, other suburban communities will use it and ratepayers in the City of Milwaukee will pay part of the bill without getting revenues back.

- 3) Solar stakeholders (particularly some private solar companies) have objected to We Energies using the Solar Now program to box out the private rooftop solar market. And it's true that they originally offered Solar Now to the City as an alternative to the roof-top projects we were doing with Eagle Point. However, we declined to use the Solar Now program *in that context* as a replacement for our own projects. What I'm proposing is to use Solar Now on a landfill that *cannot be developed by the private solar market unless We Energies agrees to purchase that power*. That's an important distinction.
- 4) My goal is to advance renewable energy across all sectors, including a robust and competitive roof-top solar market and have We Energies invest in renewable energy. I'd like to avoid what I call the "solar circular firing squad" whereby We Energies creates obstacles to the private solar market, and solar advocates retaliate by fighting We Energies' new solar programs. I'm fighting for all of it. It's part of our "All of the Above" approach to solar energy. The County has looked at solar by the airport for years and has done nothing. The time to take bold action on climate change is now. This is the right project using the right tariff at the right time.

Thank you for your consideration.

Erick Shambarger, Environmental Sustainability Director  
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