

BEFORE THE**PUBLIC SERVICE COMMISSION OF WISCONSIN**

Focus on Energy Quadrennial Planning Process IV

5-FE-104

**COMMENTS FROM THE FOLLOWING WISCONSIN LOCAL GOVERNMENT CLIMATE
COALITION MEMBERS: DANE COUNTY, EAU CLAIRE COUNTY, CITY OF LA CROSSE,
CITY OF MADISON, CITY OF MIDDLETON, CITY OF MILWAUKEE,
MILWAUKEE COUNTY, CITY OF SUN PRAIRIE**

Members of the Wisconsin Local Government Climate Coalition (WLGCC, wlgcc.org) are pleased to provide these comments in response to the March 8, 2022 memo in the docket 5-FE-104, the Focus on Energy Quadrennial Planning Process IV proceeding.

Every WLGCC community has committed to substantial reductions in greenhouse gas emissions and increased resiliency against climate change. Energy efficiency and renewable energy projects are an important piece of our local efforts to achieve these goals and, as such, we all interact with Focus on Energy (Focus) regularly, both on projects specific to local government operations and on efforts to engage our broader communities in energy savings. Listed first among WLGCC-supported strategies is “Increased funding for and emphasis on energy efficiency, including the Focus on Energy program.” About 1 in 3 people in Wisconsin live in a WLGCC community and we are enthusiastic about collaborating with Focus to achieve our clean energy goals.

GENERAL OBSERVATIONS

Climate change is already a substantial risk to Wisconsin communities in 2022. Our communities are already experiencing considerable costs—deaths as well as property damage and other negative economic impacts—associated with climate change. By contrast, we see substantial local economic

development benefits associated with increased clean energy activities. Energy efficiency and renewable energy create local jobs; solar power and renewable natural gas are in-state energy resources.

Electrification provides an opportunity to keep our energy dollars within Wisconsin and invested locally. From our perspective it is vital that the Commission address climate considerations directly in the Quad IV planning. It is urgent that the Commission act now to maximize Focus on Energy's contribution to the state's clean energy vision and to the clean energy commitments of local governments across the state.

In the March 8 memo Commission staff noted that under Wis. Stat. § 196.374(2)(a.)2., the purpose of the Focus program is “to help achieve environmentally sound and adequate energy supplies at reasonable cost.” We urge the Commission to acknowledge that environmentally sound energy supplies are those that reduce emissions (both traditional criteria pollutants in addition to GHG emissions) and mitigate climate change risks.

WLGCC members also note that the ACEEE [climate-forward efficiency framework](#) is particularly helpful in conceptualizing how energy efficiency programs can equitably align emission reduction and energy efficiency goals. We were pleased to see that Commission staff is looking to this framework as a resource for its decisions in this docket.

ALIGNING FOCUS ON ENERGY PERFORMANCE GOALS AND PROGRAM OFFERINGS WITH DECARBONIZATION GOALS

WLGCC members recommend that the Commission adopt Alternative One “The Focus program should expand and enhance its role in cost-effectively reducing carbon emissions by emphasizing both carbon emissions reduction benefits and energy use and demand savings.”

Adding GHG emissions to the set of Focus goals sends a clear signal that the Commission recognizes the important role Focus can play in helping the state to achieve its clean energy goals.

We appreciate this is a shift for the Focus program although, as staff note, the program already tracks emission reductions. Later in this docket the Commission will be able to adjust the emphasis on various goals and, at that time, the Commission can create the appropriate ramp-up strategy around the new decarbonization goal. Just as the Commission has historically emphasized energy savings over demand savings, the Commission can emphasize energy savings over a decarbonization goal. An incremental approach to the goal specifics is reasonable in our view whereas omitting carbon from the overall goals entirely for another four years—until 2027—is simply not good public policy. Focus activities in general provide many co-benefits (kW reduction, GHG emissions reduction being two examples), and by signaling the importance of these co-benefits, Focus can do analysis and creative thinking to optimize portfolio outcomes through new program design, energy efficiency measure prioritization and incentive setting, along with updated or reconfigured market interventions.

From our perspective the Commission is at a crossroads. Alternative One acknowledges climate change and commits that Wisconsin understands the important role energy efficiency has and will continue to play in reducing emissions. To decide otherwise makes Focus on Energy largely irrelevant to the greatest challenge of our generation and is a missed opportunity.

We also acknowledge that aligning energy efficiency and decarbonization goals will, in the short term, entail some additional effort. These efforts might well increase administrative costs in the short term. From the WLGCC perspective that is a small price to pay. Maximizing emission reductions alongside energy efficiency is likely to make Focus more cost effective over the long run and acknowledges the ever-changing impacts and trade-offs of our energy consumption patterns. Focus on Energy frequently counsels customers to think about life cycle costs; we urge the Commission to approach this decision with a similarly broad mindset.

Finally, we would note that Focus’s additional efforts to maximize emission reductions is likely to benefit both utilities and local governments in their own efforts to reduce emissions. As Focus refines its understanding of emission profiles for different end uses, that information will be useful to utility voluntary efficiency efforts and demand-response programs as well as local government efforts. This effort would also position Focus as having a measurable impact in supporting utility and local government emissions reduction goals, providing an opportunity to claim influence on the associated measurable greenhouse gas emissions savings.

ELECTRIFICATION PROGRAMS AND OFFERINGS

Consistent with our recommendation associated with decarbonization, WLGCC members urge the Commission to adopt Alternative One relative to fuel switching from unregulated fuels: “Allow Focus to directly support beneficial electrification where fuel switching from unregulated fuels to electricity provided by a participating utility occurs through its own programs and offerings. Focus shall claim all fuel neutral energy savings and other associated social, economic, and environmental benefits, as approved by the Commission, for its own beneficial electrification programs and offerings.”

We also recommend the Commission adopt Alternative One relative to electrification programs: “Focus shall design and implement beneficial electrification initiatives during Quad IV of Focus that seek to expand and enhance Focus’ role in supporting and promoting beneficial electrification statewide while achieving measurable results.” This acknowledges the inter-connected nature of electrification and decarbonization, and the innovation needed via new initiatives to identify and scale successful strategies.

Relative to fuel switching from unregulated fuels, we fully support Focus serving these customers and claiming these savings. These customers contribute to Focus on Energy via their electric bills and should have the same opportunities as other customers to pursue clean energy solutions. Again we note that these customer upgrades represent substantial economic development opportunities for communities

across Wisconsin. Just as our communities benefit from fresh local food sources, we can benefit from local energy efficiency and renewable energy investments.

Additionally, consistent with the staff discussion in the memo, we support fuel neutral goals for Focus on Energy. Fuel neutral goals will empower Focus on Energy staff to focus on the best and most cost effective solutions for each customer rather than worrying about how one solution or another might affect goal achievement. Considering the core purpose of Focus, fuel neutral goals acknowledge that technology is evolving rapidly, and the objective is to achieve cost-effective net overall reduction in energy consumption without prescribing a solution or fuel source to meet this objective.

Wisconsin's electric grid is evolving quickly. Our utilities are showing extraordinary leadership in pursuing clean electricity and the Alternative One options under this question enable Focus on Energy to be responsive to that utility leadership.

In their discussion of electrification Commission staff reference the role Focus can play with customers and trade allies. We think this is critical. As local governments we hear from citizens who want to pursue electrification but cannot find contractors. We also see evidence that contractors are waiting for a signal from Focus on Energy about these new technologies. We urge the Commission to clarify that Focus on Energy can encourage electrification technologies.

UTILITY VOLUNTARY PROGRAMS

WLGCC members are enthusiastic about utility voluntary programs because these efforts fill gaps in current Focus on Energy funding. We defer decisions on how to best coordinate these efforts to those more closely involved.

We do note, though, that WLGCC members were disappointed that the Commission did not expand this discussion question to include collaboration with local government programs or other convening entities that could support connecting potential projects to Focus, which would in general

support portfolio goal achievement. With increased federal funding for clean energy efforts, it is likely that more and more local governments will be launching clean energy programs in the next few years. We would hope that whatever structure Focus develops around coordination can also be applied to local government and other stakeholder initiatives.

COLLABORATION BETWEEN FOCUS AND UTILITY DEMAND RESPONSE PROGRAMS

Again, we think coordination is important but we defer to others who are closer to these issues.

At minimum, we believe Focus should continue to track and analyze demand (kW) savings at a measure, solution/offering, and portfolio level. As technology evolves and controls system become more inter-operable, Focus has an opportunity to review existing projects and support identification of high impact projects or equipment that could yield effective Focus-utility partnerships. WLGCC also believes that there is an opportunity for Focus to provide more AMI analysis tools/services, which have the additional co-benefit of identifying demand savings operational changes that could fit into existing utility DR programs.

AFFORDABILITY – LOW-INCOME AND INCOME-QUALIFIED PROGRAMS AND OFFERINGS

Equity is an important issue for WLGCC members. We appreciate the work the Commission has been doing in other dockets to explore energy burden and we appreciate the effort here to understand what Focus on Energy is currently doing to affect energy burden and energy affordability.

We also note that income is just one way to think about the equity question. As local governments we are concerned about how energy efficiency and renewable energy services reach a variety of

underserved populations—renters, small businesses, non-English speakers, BIPOC communities, and of course income-constrained households.

More, in our experience, the income qualifications that are applied to programs can create a substantial barrier to participation. Rather than prioritizing programs for households at a set income level we would prefer that Focus on Energy design and implement more initiatives that assist census tracts with high energy burdens, that target highly inefficient buildings (including mobile homes), or that partner with community-based organizations (food banks, etc.) who already serve targeted populations. In our view there are numerous creative ways that Focus on Energy could expand its services to the populations that have been underserved by past programs.

Key here, though, is understanding who is underserved. We would like to see the Commission support a thorough analysis of Focus benefits to understand which populations are underserved. We also encourage the Commission to work with Focus to set KPIs around program participation for all underserved populations—low income customers as well as other underserved populations. An appropriate KPI for Quad IV might be to increase program participation in key segments by 10-15%, for example. Rather than prescribing how the Focus program achieves that KPI, we recommend that the Commission let the Focus team develop strategies to hit the identified KPIs.

Again, we appreciate the opportunity to participate in this docket. WLGCC members consider Focus on Energy a key ally in our efforts to reduce emissions and build climate resilient communities.

Dated this 31st day of March, 2022.

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