

**BEFORE THE  
PUBLIC SERVICE COMMISSION OF WISCONSIN**

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Application of Madison Gas and Electric Company for  
Authority to Adjust Electric and Natural Gas Rates

Docket No. 3270-UR-125

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**INITIAL BRIEF OF THE WISCONSIN LOCAL GOVERNMENT CLIMATE  
COALITION**

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**I. INTRODUCTION**

This is a proceeding to consider the request of Madison Gas and Electric Company (“MGE,” “Applicant,” “the Company”) to adjust electric and natural gas rates. The Wisconsin Local Government Climate Coalition (“WLGCC”) submitted a request to become an intervening party on May 31, 2023,<sup>1</sup> and appears in the Scheduling Order<sup>2</sup> as such.

In this initial brief, WLGCC addresses a limited set of issues related to the Company’s proposal to end its current net metering program and replace it with Schedule Pg-HE for residential and small business customers (Ex.-MGE-Penington-10). Our arguments and recommendations to the Commission are detailed further in the sections below.

**II. ARGUMENT**

- a. The Commission should reject the Applicant’s request to end its current net metering program under the Pg-2 tariff, and instead complete a**

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<sup>1</sup> Request to Intervene and Notice of Appearance of Wisconsin Local Government Climate Coalition, PSC Reference Number 469429, filed on May 31, 2023.

<sup>2</sup> Scheduling Order, PSC Reference Number 472003, filed on July 5, 2023.

**comprehensive and collaborative statewide process to explore the impacts and future of net metering.**

**First, and perhaps most importantly, the Applicant's proposed changes preempt a broader statewide discussion as a part of the Commission's open and active investigation of Parallel Generation Purchase Rates** under Docket No. 5-EI-157, as referenced in Direct-RENEW-Kell-pr-3. The City of Madison also makes the point that a piecemeal approach of dealing with net metering on a utility-by-utility basis prior to addressing the broader issues identified in Docket 5-EI-157 would be administratively inefficient and lead to fragmented and inefficient markets and disrupt energy policy goals and priorities that have already been established (Direct-COM-Rábago-r-16). For consideration, Mr. Kell recommends a framework that would prompt the Commission to collect data, perform analysis, and begin stakeholder engagement on the questions of when and how to transition away from net metering (Direct-RENEW-Kell-pr-4). While the Applicant's rebuttal testimony updates its proposal to address a limited number of other parties' concerns, the bottom line remains the same - net metering is a broad-reaching policy issue that must be treated as such, within a comprehensive, statewide process. It is not a standard and contained issue to be dealt with on a utility-by-utility basis.

**Second, making the proposed changes to net metering at this time will have a detrimental impact on the distributed generation market in Wisconsin that would affect the state's ability and local governments' ability to achieve their clean energy goals and priorities.** SEIA highlights lessons learned in other states, such as those of Nevada and with Ameren Illinois where sudden and unfavorable changes were made to net metering policies, resulting in customer uptake of solar dropping precipitously (Direct-SEIA-White-r-5-8).

WLGCC members, including the City of Madison, the City of Middleton, and Dane County, have committed to clean energy goals, and all note that the changes proposed by the Applicant will have a negative impact on solar energy installations in their communities.

Related excerpts from WLGCC member testimony are included below:

- **City of Madison:** “The City of Madison strongly believes that the proposed changes to the Pg-2 rate would undermine and impede the ability for the City to reach 100% renewable energy and net zero carbon emissions for City operations by 2030 and the ability of the Madison community to do the same by 2050. (Direct-COM-Price-r-7)
- **City of Middleton:** “Net metering is a key component of these (solar PV system) evaluations and decisions. The ability to export excess power to the grid and reduce future electric bills is the incentive that allows public officials to commit to solar, and encourages developers to include solar energy in their development projects. Net metering is central to maintaining the momentum we have built to decarbonize through renewable energy systems.” (Direct-City of Middleton-Hilyard-7)
- **Dane County:** “The proposed changes to net metering will definitely slow customer-sited solar installations in Dane County. Installations will slow because projects will have longer paybacks and it will be much more difficult for customers to determine whether or not a solar array is a cost effective investment.” (Direct-DC-Kuntz-7)

Equity in solar installations and clean energy is also a key priority of WLGCC members. The Cities of Madison, Middleton, and Dane County highlight the lack of solar in low income and other disadvantaged communities, and that making changes to net metering at this time would further exacerbate these inequities (Direct-City of Middleton-Hilyard-10-14; Direct-COM-Price-r-17-20; Direct-DC-Kuntz-16-27). In rebuttal testimony, the Applicant proposes

a new pilot program, Solar Incentive Provision-2, which offers increased upfront incentives above Solar Incentive Provision-1 for low-income households (Ex.-MGE-Penington-12). However, this proposal does not adequately address or ameliorate the underlying equity issues facing low income and disadvantaged communities in relation to solar adoption. These issues, among others, deserve consideration by the Commission within the broader policy landscape and as a part of a comprehensive statewide process, not utility by utility.

It must be noted that net metering is also a key policy identified by the State of Wisconsin. In his testimony for the City of Madison, Mr. Rábago references Wisconsin's Clean Energy Plan, published in 2022, which highlights the importance of distributed generation and the need for strong and consistent net metering policies (Direct-COM-Rábago-r-6-7). The policy priorities of the State of Wisconsin should be integral in the Commission's decision on net metering for this rate case.

**Third, the Applicant's request is unjustified and unnecessary at this time.** Several expert witnesses highlight the lack of evidence and analysis provided by the Applicant to determine whether existing net metering tariffs are unjust or unreasonable. Vote Solar and Sierra Club note that they have been involved in proceedings before other Commissions "where the utility, the commission staff, and intervenors have all produced cost of service and proof of revenue analyses specific for net metered customers to determine whether a cost shift exists. In other cases, commissions have treated net metering like an energy efficiency program and conducted a cost benefit analysis to determine whether to retain net metering rate design." (Direct-VS/SC-Kenworthy-e-11). In this case, the Applicant has not provided any such analyses to justify their proposed changes.

The Applicant has also not illustrated the need to eliminate net metering at this point in time from a market adoption perspective. SEIA notes that both the National Association of Regulatory Commissioners (NARUC) and Lawrence Berkeley National Laboratory (LBNL) suggest that until net metering saturation levels reach five to ten percent of a utility's peak load demand, programs are still considered nascent and they are unlikely to cause grid or meaningful rate impacts (Direct-SEIA-White-r-9). Testimony provided by Mr. Andrew Kell shows a calculated peak rated capacity penetration rate of 1.21 percent in 2021, and 1.42 percent in 2022 (Direct-RENEW-Kell-pr-12), both far below thresholds referenced by NARUC and LBNL.

### **III. CONCLUSION**

In summary, for the reasons presented in this brief and on the record of evidence in this proceeding, WLGCC recommends that the Commission reject the Applicant's proposal to end its net metering program and replace it with Schedule Pg-HE, and complete a comprehensive and collaborative statewide process to explore net metering as a part of the Commission's open investigation of Parallel Generation Purchase Rates (Docket No. 5-EI-157), or under another general docket as appropriate. Simply put, regardless of the individual testimonies and evidence offered through this single rate case, changes made to the current net metering paradigm in Wisconsin rise to the level of a statewide process, and should not be delegated to an individual utility process.

Dated this day, September 28, 2023.

Respectfully Submitted,

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