

WUA Issue Digest, 2017-18

May 25th, 2017 Edition

The following are issues on which WUA is engaged or monitoring during the 2017-18 Legislative Session. The latest actions are in italics.

[AB 42](#), [SB 15](#) (Neylon, LeMahieu): **REINS ACT** – Generally, this bill makes various changes regarding administrative rules and rule-making procedures. Specifically, this bill requires an affirmative vote of the Legislature to approve administrative rules for which compliance costs exceed \$10 million. WUA sought an amendment to exempt federal rules from the bill and the authors have committed to allowing an amendment to exempt federal air rules. The Senate version of this amendment was introduced March 28 as SA 1.

AB 42 was introduced January 31 and referred to the [Committee on State Affairs](#). SB 15 was introduced January 26 and referred to [Committee on Government Operations, Technology and Consumer Protection](#). Public hearings were held on both bills on March 30. WUA submitted written comments in favor of the amendment and the bill, as amended. [SSA 1](#) was introduced April 24, which incorporates the federal air rule exemption, among other things. On April 26, the Committee adopted SSA 1, 3-2 (party line) and recommended SB 15 for passage, as amended, 3-2 (party line). ASA 1 to AB 42, identical to SSA 1 to SB 15, was also introduced April 26. *SB 15* passed the Senate, as amended by [SA 1](#) to SSA1, and SSA 1 on May 2 on a party-line +1 (Cowles) vote. AB 42, as amended by [ASA 1](#), was recommended for passage by [the State Affairs Committee](#) on May 3 on a 10-5 (party line) vote. *Both bills are in the Assembly Rules Committee and the Assembly leadership has stated they plan to bring this bill to the floor in June.*

[AB 63](#) (Weatherston, Tiffany): **Wetlands** - This bill generally exempts utility activities in a highway right-of-way from certain wetland permitting requirements. It was introduced February 8 and referred to the Assembly [Committee on Energy and Utilities](#). *No action has yet been taken on this bill and WUA has not taken a position.*

[SB 115](#), [AB 198](#) (Stroebel, Neylon): **Leased Generation Contracts** - This bill allows the Public Service Commission to modify or terminate the contracts of public utilities to lease electric generating facilities from their affiliates if the PSC determine that it is in the public interest. Under the bill, the PSC may revise leased generation contracts, **including retroactively**, to protect and promote the public interest. In addition, if a leased generation contract has a term of ten years or more, the PSC must, every ten years, determine whether to modify or terminate the contract in the public interest. WUA strongly opposes this bill. This bill was introduced March 16

and referred to the Senate Elections and Utilities Committee. The Assembly version was introduced on March 16th as AB 198 and referred to the Assembly Energy & Utilities Committee. *No action has been taken on either of these bills.*

[SB 144](#), [AB 204](#) (**Roth, Brooks**): **Waste Heat Recovery** – These bills allow the recovery of waste heat from manufacturing processes to be counted as renewable energy and credited toward the creation of RRCs. WUA does not oppose these bills. AB 204 was introduced April 5th and referred to Energy & Utilities. SB 144 was introduced March 28 and received a public hearing in the Senate Elections and Utilities Committee April 5th. The Committee recommended SB 144 for passage, 3-2 (party line) on April 19. SB 144 passed the Senate on May 2nd on a 20-13 (party line) vote and resides in the [Assembly Energy & Utilities Committee](#). *A public hearing was held for companion bill AB 204 on May 16th and an executive session is scheduled for May 30.*

[LRB-2103 Memo](#) (**Kuglitsch**): **“Small Cell” Wireless Facilities Regulation** – This bill limits the authority of the state and political subdivisions to regulate wireless facilities and authorizes subdivisions to impose setback requirements for certain mobile service support structures. In addition, the draft defines “utility pole for designated services” (UPDS) as a utility pole owned or operated in a ROW by the state or a political subdivision, a utility district, or a cooperative association.” This definition excludes IOU poles. *The bill is currently circulating for co-sponsorship, deadline: Thursday, May 25, 4 pm.*

[SB 48](#), [AB 78](#) (**Cowles, Thiesfeldt**): **Lead service line replacement** – The bill creates a local water utility financing program to help fund the replacement of residential lead water service laterals. As amended by [SSA 1](#), SB 48 passed the Senate Energy & Natural Resources Committee on March 29, 2017. Companion bill AB 78 had a public hearing on April 18, 2017 in the Assembly Energy & Utilities Committee. *An ASA is pending and the bill may be added to the Executive Session notice for May 30. WUA has not taken a position on this bill.*

[AB 64](#), [SB 30](#):

State Budget – There are several items of interest to utilities in the proposed state budget including:

- **Stray Voltage (PSCW, DATCP)** - Eliminate the Stray Voltage Program administered by the Public Service Commission and the Department of Agriculture, Trade and Consumer Protection. WUA opposed the elimination of this program and favored adoption of Alt. A2 and B2 [in Paper # 537](#). *On May 11, the Committee adopted [Motion # 121](#) which retains 1 Stray Voltage FTE in PSC and 1 FTE Stray Voltage Veterinarian in DATCP + 0.2 administrative position, also in DATCP. This compromise motion was offered by the Co-Chairs and passed unanimously.*
- **REINS** - Adopt state version of federal REINS Act by requiring the Legislature to approve all administrative regulations that have an impact of \$10,000,000

or more on regulated individuals and entities. Require, at Joint Committee Review of Administrative Rules' (JCRAR) request, a preliminary hearing and comment period to allow for stakeholder feedback earlier in the process. In addition, allow an independent economic impact analysis of regulations at the request of Department of Administration or JCRAR. Provide a process for agencies to follow regarding guidance documents to ensure that public comment is considered. Also, require DOA approval of economic impact analyses, changes to emergency rule extensions, an expedited process for repealing unauthorized rules, and sunset of rule-making authority for agencies that have not promulgated a rule in ten years or more. WUA seeks an amendment to both versions of REINS to exempt federal air rules. (THIS ITEM WAS REMOVED FROM THE BUDGET BILL ON APRIL 6TH AS NON-FISCAL POLICY)

- **Intervenor Compensation Funding (PSCW)** – Partially restore funding for the Intervenor Compensation program to strengthen Public Service Commission rate case decisions by ensuring that all relevant information has been presented and considered. Provide an additional \$371,300 PR in each year and \$742,600 PR over the biennium. WUA supported this provision. *On May 11th the Committee unanimously adopted Alt. 1 in paper # 536 which partially restores IC funding, per the Governor's and WUA's position.*
- **DOA Energy Purchase Transparency** – According to the Governor, this provision would increase transparency related to the purchase of renewable energy by transferring \$5,237,700 annually into a separate appropriation in each impacted agency. The amount transferred represents the premium paid when purchasing renewable energy. [Paper # 120](#), JFC adopted Alt. 1, 12-4 party line on May 23.
- **Dark Sky (PSCW)** – Large Scale Emergency Response Exercise, \$325,000 PR in FY 2018. WUA supports this provision. *No JFC paper prepared.*
- **VW EMT Settlement** - The Governor recommends authorizing the Department of Administration to expend \$16,000,000 on behalf of state agencies and to distribute \$26,000,000 to Milwaukee County from funds received by the state from the Volkswagen emissions settlement. These funds would be allocated over the biennium and used to replace eligible vehicles according to the terms of the settlement to reduce emissions. WUA filed comments with the Administration suggesting additional alternatives for the disposition of the funds. *No JFC paper prepared.*
- **PSC-FOE School Funds** - Allocate up to an additional \$10,000,000 from Focus on Energy funds annually or up to \$20,000,000 over the biennium for elementary, secondary, and postsecondary schools in the Focus on Energy program for energy efficiency projects, and prioritize the funding to public elementary and secondary schools. Mitigate property tax increases by eliminating the energy efficiency exemption in revenue limits on a going-forward basis. School districts could continue to use referenda for these projects. *The Committee moved Alt. 2 in [Paper # 538](#) which deletes the governor's recommendation and maintains current law. This motion passed unanimously on May 23.*

The budget was introduced February 8, 2017 and referred to the [Joint Finance Committee](#) where it currently resides. Statewide public hearings were held between April 3 and 21. *The Committee began voting on specific budget items the week of May 1st*

and continues. See miscellaneous LFB PSC papers [here](#). Other Utility LFB Papers: [Motion 201](#), Utility Aid; [Paper 567](#) – Sum Sufficient Re-estimates.

To view the complete session calendar for the 2017-18 Legislative Session, click [here](#).