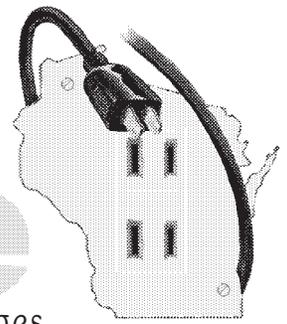


A **Coalition**
to preserve
Wisconsin's
Reliable and
Affordable
Electricity

Customers First!

the Wire



Plugging you in to electric industry changes

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Governors want wind

A coalition of governors has announced its recommendations to the administration and Congress to boost wind energy development in the United States.

In mid-March, the Governors' Wind Energy Coalition released *Great Expectations: U.S. Wind Energy Development, the Governors' Wind Energy Coalition's 2010 Recommendations*. Wisconsin is a founding member of the 29-state coalition.

Billed as the first set of comprehensive wind energy recommendations ever submitted to Congress by a group of governors, the report calls for the following actions:

- Adopt a renewable electricity standard.
- Develop new interstate electric transmission system infrastructure as needed to provide access to premier renewable energy resources both on-shore and offshore.
- Fully support coastal, deep water, and offshore wind energy technology and transmis-

sion research and development.

- Streamline permitting processes for both offshore and on-shore wind energy development projects.

- Expand the U.S. Department of Energy's work with the states and the wind industry to accelerate innovation.

- Extend the Treasury Department grant program in lieu of the investment tax credit and adopt a long-term renewable energy production tax credit with provisions to broaden the pool of eligible investors.

Iowa Governor Chet Culver, who chairs the coalition, said the report's title "could not be more apt."

"Americans have great expectations for the nation's energy future, and these recommendations from the nation's governors to Congress and the administration meet those expectations."

The full text can be viewed at www.GovernorsWindEnergyCoalition.org. 

State seeks carbon-capture comments

Wisconsin's Public Service Commission has issued a report on the prospects for geologic sequestration of carbon dioxide emitted by coal-fired power plants, and now the commission is inviting public comment on the findings.

The commission (PSC) produced the draft report working in conjunction with the Department of Natural Resources (DNR).

Following recommendations of Governor Doyle's Task Force on Global Warming, the agencies formed a study group to examine the potential for CO2 sequestration, which could become very important if the federal government adopts regulations limiting greenhouse gas

Continued on page 3...

Downsizing cow power

Manure digesters provide an innovative way to turn a potentially troublesome waste-handling problem into a source of electricity, but so far they've been impractical for all but the largest livestock operations. Now a state grant announced last month will help small farms get in on the action.

Near the end of March, Wisconsin Agriculture Secretary Rod Nilsestuen announced a \$200,000 grant that will help Universal Sanitary Equipment Manufacturer Company (USEMCO) develop a digester that's practical for use on small farms.

Based in Tomah, USEMCO is an industry leader in the custom engineering and manufacture of turnkey pump stations, control systems, and access doors for municipalities and industry.

The company also produces underground and above-ground steel fuel storage tanks, flow gates, and dump truck boxes and performs specialty subcontract fabricating.

The company has already developed a digester tank it believes can make economic sense with a herd as small as 100 cows—a dramatic difference compared with the 700–1,000-cow herds considered necessary to use established digester technology.

Testing of the unit will take place over the coming year on a dairy farm at Chaseburg in Vernon County and the electrical output will be purchased by Dairyland Power Cooperative. The La Crosse-based generation and transmission cooperative obtains electricity from digesters at five different sites in Western Wisconsin.



Anaerobic digesters ferment cow manure to produce methane, which is captured and used to fuel a gas turbine that spins a generator to produce electricity. This beneficial use of the animal waste virtually eliminates odor, insect, and runoff problems. After processing through the digester, the fibrous byproduct is sterile, odorless, and can be spread on fields or used for animal bedding. 

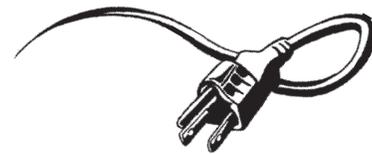
THE WIRE is a monthly publication of the *Customers First!* Coalition—a broad-based alliance of local governments, small businesses and farmers, environmental groups, labor and consumer groups, retirees and low-income families, municipal electric utilities, rural electric cooperatives, wholesale suppliers, and an investor-owned utility. *Customers First!* is a coalition dedicated to preserving Wisconsin's reliable and affordable electricity.

If you have questions or comments about THE WIRE or the *Customers First!* Coalition, please call 608/286-0784.



KEEPING CURRENT

With CFC Executive Director Matt Bromley



There is much speculation about whether the Clean Energy Jobs Act (CEJA) will pass before the Wisconsin Legislature adjourns on April 22. As reported in previous editions of *The WIRE*, CEJA was introduced earlier this year and would implement recommendations of Governor Doyle's Task Force on Global Warming. The legislation, among many other things, would establish a 25 percent renewable energy standard for Wisconsin utilities by 2025, provide greater investment in energy conservation and efficiency, and move the state toward a low-carbon fuel standard and emission limits for motor vehicles.



Bromley

Debate on CEJA has been spirited. Senate and Assembly committees heard many hours of testimony on the legislation during a series of public hearings in February. Proponents assert that CEJA will spur investment in clean energy technology, create green jobs, and help protect the environment by reducing greenhouse gas emissions. Critics contend the legislation will lead to higher energy costs for consumers, especially energy-intensive manufacturing companies, and lead to job losses. Although CEJA makes significant changes to state energy policy, it shouldn't be too surprising that much of the debate has been focused on its impact on jobs.

With the economy in a deep recession and unemployment rates the highest they've been in decades, creating jobs has become a top priority for elected officials, and any bill that purports to put more people back to work will attract greater interest.

Besides creating jobs, supporters also say CEJA will help prepare the state for the inevitable federal regulation of greenhouse gas emissions that will make the cost of electricity generated from fossil-fueled plants more expensive. Opponents say that Congress is gridlocked and that regulations like a cap-and-trade program or carbon tax are unlikely to pass anytime soon. They fear that enacting CEJA now, before any federal regulations are implemented, will add to the energy bills of Wisconsin businesses and put them at a competitive disadvantage in the global marketplace.

The legislative sponsors of CEJA are weighing these arguments and are likely to revise the legislation to address some of the concerns raised during the public hearings. As of this writing, those revisions have not been made public, and it remains uncertain whether the changes will satisfy enough legislators in order for a bill to pass before the Legislature adjourns in a few short weeks. 💡

Wind council named

Last year the State Legislature approved statewide wind energy siting standards to bring uniformity to a patchwork regulatory system. The next step is to determine what those uniform standards will allow or require. In March, a 15-member council was named to advise the Public Service Commission as it makes the new rules.

The wind-siting law includes very specific categorical requirements for appointees to the advisory council.

The 15 members appointed last month are: Dan Ebert of WPPI Energy, David Gilles of the Godfrey and Kahn law firm, Tom Green of the Wind Capital Group, Jennifer Heinzen of Lakeshore Technical College, Andy Hesselbach of WE Energies, George Krause Jr. of Choice

Residential LLC, Lloyd Lueschow of Green County, Jevon McFadden of the UW-Madison School of Medicine and Public Health, Tom Meyer of the Restaino and Associates realty firm, Bill Rakocy of Emerging Energies of Wisconsin LLC, landowner Dwight Sattler, Ryan Schryver of Clean Wisconsin, Michael Vickerman of RENEW Wisconsin (and a *Customers First!* Coalition board member), landowner Larry Wunsch, and Doug Zweig of Rock County's Union Township, where wind-siting issues helped propel the drive for statewide legislation.

The council will advise the PSC as it develops administrative rules spelling out what restrictions may be imposed on the installation and operation of wind energy systems. 💡

Sparks still flying over Florida blackout

They're still haggling over the size of a reimbursement to millions of Florida Power and Light (FPL) customers who suffered losses as a result of a blackout triggered by an engineering error—more than two years ago.

According to a mid-March report in *The Palm Beach Post*, FPL says it should pay back a little more than \$2 million to make good on the extra costs they incurred, while

Carbon capture

Continued from front page...

emissions. In the words of PSC Commissioner Mark Meyer, "These regulations could radically change the economics of coal-fired electric generation unless the associated carbon dioxide emissions are reduced."

Wisconsin currently depends on coal for two-thirds of its electric generation, and coal combustion releases more carbon dioxide per unit of electricity than any other commonly used fuel.

Promising technologies for capturing carbon dioxide emissions are being developed and tested, the study group found. It also decided long-distance transportation of carbon dioxide is a viable option, with more than 3,000 miles of pipeline now in use for that purpose.

Early assessments by experts outside the study group have suggested long-distance transport would be necessary, as Wisconsin probably does not have geologic formations that would be suitable for the long-term confinement of captured CO₂.

The draft report can be found at the PSC web site (www.psc.wi.gov) by entering the case number 5-EI-145 into the boxes displayed on the regulatory filing system (ERF). 

Energy saver tip

To keep cold, keep clean. Refrigerator coils are usually out of sight and out of mind, meaning they have ample opportunity to gather dust and debris and lose their cooling efficiency. A good, spring vacuuming of the coils—and a defrosting for the freezer—will help those appliances run more economically. 

consumer and business advocates are telling the state's Public Service Commission (PSC) the right number is more like eight times that much.

The PSC is expected to decide the matter on June 1.

In the meantime, advocates are arguing that customers are due about \$15.9 million because of the wide array of direct and indirect costs that piled up because of a field engineer's error in a Miami-Dade substation.

Traffic lights went out, resulting in vehicle accidents. People were trapped in elevators. The outage rolled across the grid, causing three fossil-fueled and two nuclear generating units to go out of service, the *Post* reported. More than two million people were affected by the blackout and many were without power for as long as three hours.

The Florida Industrial Power Users Group argues that FPL should pay all of its members' replacement-fuel costs. One point of contention is whether customers ought to be reimbursed for eight hours of replacement-fuel costs tied directly to the blackout, or whether reimbursement is due for costs arising from one of the nuclear units being off-line for six and a half days.

The fiasco has already gotten pretty costly for FPL. The utility has paid a \$25 million dollar fine to settle with the Federal Energy Regulatory Commission, which has grown more hard-nosed since the August 2003 blackout that put some 50 million customers in eight states and parts of Canada in the dark.

The utility error that triggered that incident involved neglecting to properly trim trees that wound up interfering with transmission lines in Ohio.

An attorney for FPL said a \$2 million repayment would be reasonable and would not deter investment in the company. He called the larger amount sought by consumer advocates "opportunistic," according to the *Post*.

Meanwhile, FPL Group, the holding company that owns Florida Power and Light, announced it's proposing to change its name to NextEra Energy, Inc.

We're probably reading too much into this, but a company press release said, "In addition to more appropriately reflecting the company's present-day business, the change will help distinguish between the company and its utility subsidiary, Florida Power and Light Company." 

California keeps trying

It's been almost a decade since California found it prudent to back away from universal direct access for residential electricity sales, but some business customers stayed in the program and now regulators are hoping more of them will get involved.

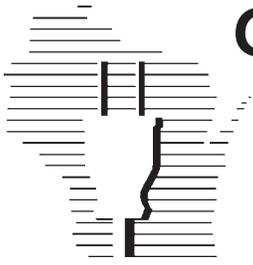
In mid-March, the California Public Utilities Commission (CPUC) launched a plan to increase direct-access power purchases in the service territories of the state's three major investor-owned utilities, Pacific Gas and Electric (PGE), Southern California Edison (SoCalEd), and San Diego Gas and Electric (SDGE).

Direct access was made available throughout the state in 1998 but wholesale market manipulation by the likes of Enron, power shortages both contrived and real, rolling blackouts, and astronomical price spikes by 2001 forced the rollback of the experiment. According to the CPUC, about 5 percent of total retail sales in California are now direct-access transactions.

But legislation authorizing increased direct access was enacted last fall, with the support of the state's Division of Ratepayer Advocates, TURN (The Utility Reform Network), and the three big utilities.

Starting this month, qualifying non-residential customers will start becoming eligible for direct access service. Over a four-year phase-in period, approximately 11 percent of total retail sales will be from providers other than the investor-owned utilities. That would match the percentage involved in direct access in 2001, according to the CPUC.

The phase-in period is designed to limit the risk of repeating the 2001 experience, the commission says. 



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Madison, WI 53701

A Coalition

to preserve
Wisconsin's
Reliable
and Affordable
Electricity

Be sure
to check out the
Customers First!
web site at



www.customersfirst.org



Quotable Quotes

“The reason we are here is that Florida Power and Light’s notion of accepting responsibility for the cost of replacement power is vastly different from ours. Despite what we know about the costs, FPL will accept responsibility for about \$2 million and will leave customers holding the bag for the rest.”

—Associate Public Counsel Charlie Beck in testimony to the Florida Public Service Commission about a massive 2008 power outage, quoted March 18, 2010 in *The Palm Beach Post*

Help us share our messages with others. If you know of businesses or organizations that would like to learn more about protecting Wisconsin’s reliable and affordable electricity, please feel free to copy and share with them all or part of this newsletter, or you can call 608/286-0784 to arrange an informational meeting.

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