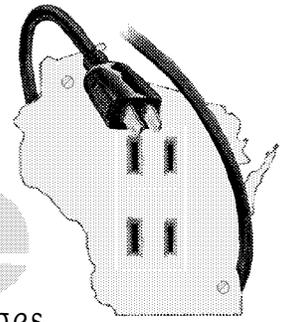


A Coalition
to preserve
Wisconsin's
Reliable and
Affordable
Electricity

Customers First! the Wire



Plugging you in to electric industry changes

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Customers First! conference crowd hears of Wisconsin's future energy challenges

The Obama administration will try to double the nation's reliance on renewable energy sources by 2020, according to Lauren Azar, former member of Wisconsin's Public Service Commission and since 2011, senior advisor to the secretary of the U.S. Department of Energy.



Azar

under development but not yet ready for broad, commercial-scale deployment.

She was in Madison April 24 for the *Customers First!* Coalition's annual POWER Breakfast, where she told a crowd of about 120 that in addition to doubling renewables, the administration hopes to boost the nation's "energy productivity"—meaning efficiency measures to prevent energy losses—50 percent by 2030 and to drive a conversion of the nation's truck fleet to compressed natural gas while at the same time pushing a move to electric vehicles for passenger cars.

Looking ahead four or more decades, Azar painted a challenging energy picture for Wisconsin, which she called "one of a few states without strong natural [energy] resources."

There are "no really significant native fuels here," she said, adding that opportunities to develop solar energy are "marginal," and while the

state has good wind power sites, they are "very localized."

Azar qualified her description of Wisconsin's solar potential as "marginal" by adding it is roughly comparable to the quality of the solar resource in Germany and some American East Coast states such as New Jersey—as opposed to Western and Southwestern states where solar has its greatest U.S. potential.

Small modular nuclear reactors might be the energy source of the future for Wisconsin, she said, assuming the state is able to get through the next 40–60 years relying on currently inexpensive natural gas.

Lake Michigan sites could be the "best in the nation" for offshore wind, Azar said, apply-

ing the caveat that developing them—something no one has yet done in U.S. waters—would be "really expensive."

Utilities here will need to begin thinking about how to maintain viability in a business environment drastically altered by "consumerization," Azar observed. Some West Coast utilities are already "in a death spiral," she said, with the rapid expansion of consumer-owned solar generation creating severe complications in their efforts to retain their customer bases.

Some states are beginning to redefine the meaning of a public utility and regulators should begin to consider average-cost ratemaking, "already a dinosaur," Azar said. 💡

MEUW names new executive director

Following an extensive national search, directors of the Municipal Electric Utilities of Wisconsin (MEUW) last month named Zachary Bloom as the organization's new executive director, succeeding David Benforado.

General manager of Waupun Utilities at the time of his hiring, Bloom comes to MEUW with 15 years' experience in the electric industry. "We were impressed with the interest demonstrated by so many quality executive-level candidates. The membership should be very pleased with our final selection of Bloom," said Jerry Ewert, chairman of the search committee. Bloom was to begin his new duties May 6.

"I'd like to thank former MEUW Executive Director David Benforado for his enormous contributions to the *Customers First!* Coalition," said CFC Executive Director Matt Bromley. "We look forward to continuing our collaboration with MEUW under Zachary Bloom's leadership."

A founding member organization of the *Customers First!* Coalition, the Sun Prairie-based MEUW trade association serves all 82 Wisconsin communities that own and operate an electric utility. Combined, they distribute about 11 percent of Wisconsin's electric load to nearly 280,000 residential, commercial, industrial, and farm customers. 💡



Bloom

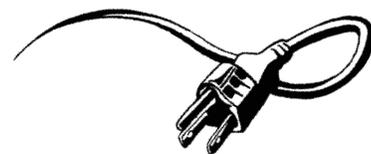
THE WIRE is a monthly publication of the Customers First! Coalition—a broad-based alliance of local governments, small businesses and farmers, environmental groups, labor and consumer groups, retirees and low-income families, municipal electric utilities, rural electric cooperatives, wholesale suppliers, 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



A key state legislator and a top official in Governor Walker's administration shared their views on current energy issues with a packed house at the Customers First! Coalition's POWER Breakfast last month. Representative Mark Honadel (R-South Milwaukee), chair of the Assembly Committee on Energy and Utilities, and Chris Schoenherr, deputy secretary of the Department of Administration, talked candidly about a variety of topics including the state budget, nuclear power, and biodigesters.

Schoenherr gave a brief overview of two energy-related items in the governor's proposed 2013-15 state budget currently before the Legislature's Joint Committee on Finance. The governor's budget, he said, expands the current property tax exemption for solar and wind energy systems to biogas. Under the proposal, equipment that directly converts biomass into biogas and is used to generate electricity, heat, or compressed natural gas exclusively from biogas, as well as equipment used exclusively to transfer or store biomass or biogas, would be exempt from the property tax.

The second budget provision Schoenherr discussed with the group involves the sale of state-owned property. He said that although the sale of state power plants has received the most attention, there is a lot of other property the state owns that is considered surplus and no longer needed. With respect to power plants, Schoenherr said only four of the 38 plants potentially up for sale generate any electricity. He said the state will continue to need the output from the plants but there is no need for the state to be in the business of running them when there are those in the private sector that do it every day.

Rep. Honadel said that although the state currently has more than adequate generation capacity, there's always a need for good baseload generation. He said he would never have thought that natural gas would be the baseload fuel source it has become today.

While acknowledging that a proposed bill to add nuclear power to the state's renewable standards law is "too little too late" to save the Kewaunee nuclear plant from closing, Rep. Honadel said the state "should not shut out any technology" and said he will pursue legislation this session to lift



Bromley

the state's "moratorium" on new nuclear power plants.

He also commented on the interest among some lawmakers, especially those representing rural districts, in expanding biogas systems like manure biodigesters. "I don't see this issue going away and we are going to have to take the next five to 10 years to get it right," he said, while adding that preservation of adequate, reliable "baseload generation comes first." 



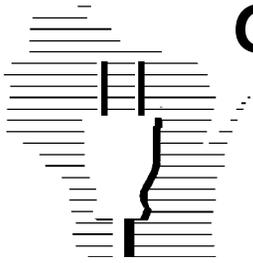
Rep. Mark Honadel and Deputy DOA Secretary Chris Schoenherr delve into state initiatives during the April 24 Customers First! POWER Breakfast.



POWER Breakfast—The Customers First! Coalition drew an attentive crowd of about 120 April 24 for its annual POWER Breakfast at Madison’s Concourse Hotel. (Clockwise from upper right) Rep. Mark Honadel talks with DOE’s Lauren Azar following her presentation; Dave Jenkins of the State Energy Office describes biofuel resources; CFC Executive Director Matt Bromley introduces Azar; and (middle photo) Wisconsin PSC Chairman Phil Montgomery makes a point during his presentation.

Energy saver tip

Considering what spring has been like, it might seem you’ll never need your air conditioner again. But you will, and now, when you don’t have too much use for it, is the perfect time to get it ready. Outdoor units can use a good bath this time of year. Open the breaker, clear out last fall’s leaves, and use a garden hose to flush away accumulated grime and obtain maximum efficiency. 💡



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Be sure
to check out
the *Customers First!*
website at

www.customersfirst.org



Quotable Quotes

“In the conversations I’ve been having, people overwhelmingly prefer an even keel, and maintaining the Renewable Portfolio Standard at 10 percent for the current session is a commitment I’ve made.”

—Assembly Energy and Utilities Committee Chairman Mark Honadel (R-South Milwaukee) saying he will decline to advance legislation either increasing or freezing Wisconsin’s renewable energy requirements, at the *Customers First! Coalition’s* annual POWER Breakfast in Madison, April 24, 2013

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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