

Wisconsin's "Public" Service Commission - in We Energies Back Pocket

(As you are reading all this, keep reminding yourself that this is NOT a free market. This is a Monopoly.)

Taken directly from the PSC website:

Overview

The Public Service Commission of Wisconsin (PSC) is an independent regulatory agency dedicated to serving the public interest. The agency is responsible for the regulation of Wisconsin public utilities, including those that are municipally-owned.

What We Do

The PSC works to ensure that, in the absence of competition, adequate and reasonably priced service is provided to utility customers. PSC approval is required before utilities can change rates or build large power plant and major transmission lines.

Regulatee

Regulator



PSC Commissioners Deciding the We Energies 2015 Rate Increase & Solar Disincentives Bio's taken directly from PSC website.

Ellen Nowak was first appointed to the Wisconsin Public Service Commission in July 2011 by Governor Scott Walker. She was reconfirmed for a new, six-year term beginning on March 1, 2013. Commissioner Nowak was named Chairperson of the Public Service Commission of Wisconsin in March of 2015.

Prior to her appointment, she served as the chief of staff to Waukesha County Executive, Dan Vrakas. From 2002-2006, she served as legal counsel and subsequent chief of staff to the Speaker of the Wisconsin Assembly. She also later worked as the deputy director of School Choice Wisconsin. From 1998-2002, Ellen practiced business litigation at Mallery & Zimmerman, SC in Milwaukee. Ellen has a law degree from Marquette University and a Bachelor of Science from the University of Wisconsin – Milwaukee.

Phil Montgomery worked closely with utility, energy and telecommunications issues as an elected state representative from Green Bay while serving six terms. He was appointed to Chairperson of the Public Service Commission of Wisconsin in March 2011 by Governor Scott Walker. As a Legislator from 1998 to 2010, Representative Montgomery served on the Joint Committee on Finance, Chaired the Assembly Committee on Energy and Utilities and Joint Committee on Information Policy and Technology, and has served on other related committees in the Assembly and on the Board of Directors of the Wisconsin Public Utility Institute. He has a Bachelor of Science degree from the University of Houston and is a former systems engineer.

Eric Callisto has been a Commissioner on the Public Service Commission of Wisconsin since May of 2008, when he was appointed by Governor Jim Doyle. He was Chairperson of the Commission from the time of his appointment through February of 2011.

He is the Vice President of the Organization of MISO States, Co-Chair of the FERC-NARUC Sunday Morning Collaborative, Vice Chair of the NARUC Committee on International Relations, and a member of the NARUC Electricity Committee. He was Co-Chair of the Upper Midwest Transmission Development Initiative, and has served as a Wisconsin representative on the Eastern Interconnection States' Planning Council (EISPC), where he was one of the EISPC's representatives on the Stakeholder Steering Committee of the Eastern Interconnection Planning Collaborative.

Prior to his appointment as Commissioner, he was the top aide to the Chairperson of the PSC. His previous Wisconsin state government positions include running the Division of Enforcement at the Department of Regulation and Licensing and serving as a legal advisor to the Governor.

From 1997 through 2003, he was an Assistant Attorney General at the Wisconsin Department of Justice, in both the Environmental Protection and Civil Litigation units. He has worked as a public defender in New York City and Philadelphia, and as a policy advisor at the U.S. Environmental Protection Agency in Washington D.C. He has a law degree from the University of Wisconsin-Madison and a B.A. in Environmental Sciences from the University of Virginia.

PSC Decision: Utility request approved. Nowak - in favor of utility; Montgomery - in favor of utility; Callisto - decided against utility.

Callisto is no longer with the PSC. Walker has replaced Callisto with Mike Huebsch, a Republican State Assemblyman from 1995 - 2011. Montgomery was ALEC's 2005 Legislator of the Year. (ALEC is funded in part by fossil fuel interests. ALEC writes legislation which is drafted verbatim by state legislators.)

You've now read the PSC's self-proclaimed overview and purpose. Refresh yourself by jumping back to the top of the page. If it is possible, try to forget all about your own political affiliation. Based on the three bio's above, ask yourself which person had the proper credentials to fulfill the PSC's mission statements? Perhaps still blinded by ideology? I'll ask the question differently. By what stretch of logic can anyone conclude that an individual with a background in partisan politics has the expertise necessary to fulfill the stated PSC's objectives?

The PSC exists because the utility is an essential monopoly. Yet the utility is a for-profit corporation, legally responsible for providing value to it's shareholders. Note that the PSC's own statement (above) reflects this realization by stating "in the absence of competition". Please read on to recognize how this PSC decision is not only negligent in meeting stated objectives, but was directly complicit in the act of regulating competition out of the marketplace.

Here is an Overview of the PSC-approved We Energies 2015 Rate Restructure and the effect on a Co-Gen provider with an 8.2 kW PV array:

	2014	2015	Yearly Loss	20 Year Loss
Monthly Facilities Charge	\$0.30/day	\$0.52602/day	\$82.50	\$1,650
Time-of-Use On Peak kWh	\$0.2759	\$0.0498	\$1,763	\$35,240
Time-of-Use Off Peak kWh	\$0.053	\$0.0385	\$50	\$1,000
Disincentive Loss to Co-Gen Power Provider Effectively Eliminating Competition.			\$1,895	\$37,890
The above data displays the losses created by the rate restructure as experienced by the Co-Gen provider - the difference between what it was and what it now is. The data below displays the before/after effects expressed as a net metering credit applied towards total energy used. In other words, maximum potential before and after.				
Understand that the credit is "netted" against the co-gen providers on-sight energy use. If more is used than produced by the PV, the utility still receives payment. Worst case scenario for the utility is if the co-gen provider requires NO energy onsite, effectively selling ALL of their solar electrons to the utility. Point being, most all of the credit for residential systems represent an avoided cost for the homeowner. The utility doesn't lose the value of the credit. The utility loses the potential to sell their coal-based electrons in exchange for receiving the customer's PV-based electrons.				
Data below compares credit given to Co-Gen vs Income received by Energy for Tomorrow program.			Yearly Credit	20 Year Credit
OLD 2014 Co-Gen Rate Structure - Time-of-Use Rates		\$0.2759 / \$0.053	\$2332	\$46,640
NEW 2015 Co-Gen Rate Structure - Time-of-Use Rates		\$0.0498 / \$0.0385	\$520	\$10,400 20 yr Credit
Below witness the rate We Energies charges customers who participate in their Energy for Tomorrow program. The utility buys our PV low (4 cents) & sells high (15 cents).				
2015 We Energies Energy for Tomorrow Consumer Rate		\$0.15117	\$1655 1 yr Income	\$33,106 20 yr Income

Prior to the PSC decision, the editorial below was submitted to several papers last year but never published. The primary intent was to provide balance to the one-sided "fair share" claim which We Energies used to indict Customer-owned Generation in their pamphlet provided with everyone's energy bill. This restructuring was classic Divide & Conquer, effectively painting solar as a free-rider subsidized by others. As icing on the cake, the divide was widened by ever-so-slightly reducing Residential rates effectively preventing any backlash from the 99.999% of energy customers who do not provide renewable power. Absolutely sadistically ingenious! Not to lose a penny, with slight-of-hand, We Energies recaptured this perceived Residential savings by implementing a 75% increase in the monthly Facilities Charge. All of this was accomplished under the watchful eye of Wisconsin's PSC....and the "P" stands for?

Solar Free-Loaders?

October, 2014

I'm one of those evil solar Co-Generator guys you've been reading about in your We Energies pamphlets. According to We Energies, Co-Gen customers like me "benefit from using our system (grid) essentially for free." Aside from the obvious response recognizing that We Energies is a for-profit monopoly, transfixed on its legal obligation to provide value to its shareholders - value that isn't captured when We Energies pays a Co-Gen customer for the private power provided - I would like to simply call out the other obvious elephants in the room.

Conventional Power Generation: A trip down memory lane reminds us of the contentious concerns centered upon the Oak Creek Power Plant expansion. After the bluff collapse and pervasive cost overruns, the costs for this 2.3 billion dollar project were passed on in the form or rate increases. Looking back over the past 15 years, rates have almost doubled.

Exporting Rate-payer Dollars: The Oak Creek plant consumes over 6000 tons of coal every day. Coal prices continue to surge in the wake of world demand prompting We Energies to propose spending \$62 million to expand coal storage for the express purpose of procuring the cheaper and dirtier Wyoming coal. Regardless of where the utility procures coal, one thing is certain: We Energies is employing a perpetual railroad of coal-laden cars into Wisconsin. Those railroad cars don't go back empty, but rather, export billions of Wisconsin rate-payer dollars directly out of the Wisconsin economy.

The-Gift-That-Keeps-On-Giving: Once upon a time, (and similar to the Broadband situation of today) the country didn't have a grid. Utilities balked at the ratio of expense vs return as would be required to electrify rural America. Consequently, the "grid" as the utility refers to as their own, was initially created with an enormous infusion of taxpayer dollars, effectively connecting not just rural America, but enabling the interconnection of previously isolated generation zones. The fact that millions of the very people who witnessed this transformation are still paying their utility bills today demonstrates that this wasn't all that long ago. This truly is a gift to the utility that keeps on giving.

None of the above was discussed in the pamphlet from We Energies. Clearly for We Energies, the door swings one way. Yes, this alleged Solar Free-Loader is using the grid to sell back Wisconsin-produced renewable energy. Our family responds any credit right here in Wisconsin. More importantly, in the same respect that we are using the grid "for free", We Energies is concurrently using our power generation facility "for free". In light of the \$2.3 billion expenditure for the new plant, imagine a Wisconsin in which the utility mitigates this need for expensive power enhancements by capturing the energy from a multitude of privately funded, decentralized renewable power providers.

(Note to all you subsidy sharks: First, the utility doesn't put up the money for solar subsidies. Second, this writer's system was paid for privately, with no subsidy. Third, if you are going to throw darts at the many solar systems that are subsidized, please make sure you also throw a few at the exponentially greater subsidies enjoyed by oil and coal.)

The hubris embodied within the entire We Energies 2015-16 Rate Request could be viewed as overreach expected of a corporation. I believe this understates the situation. This extreme overreach by We Energies is an emerging manifestation induced by the likes of Citizen's United, ALEC and the semantics of impotent anti-trust laws. Our corporations are calling the shots with complete indifference to societal or environmental concerns. This proposal reveals that the corporations within our midst are indeed sociopathic. It is apparent that we cannot expect any sense of moral responsibility from We Energies or any other monopoly subservient exclusively to shareholder value.

Yet all we have standing between the public good and this egregious corporate greed are three politically appointed individuals. It remains to be seen as to whether these three PSC commissioners will respond as representatives for human-beings, or, as indentured corporate drones. Certainly, for society and the planet, there is so much more riding on this decision than just the returns for the utility.

While our society may not yet be ready to replace electrons from coal with electrons from solar, it should be abundantly clear that our society should not be inhibiting the progressive advances that naturally occur within any nascent, developing technology. Off the beaten path, many creative minds and open-minded consumers will be required to continue advancing alternatives. The bully pulpit from which We Energies is pontificating effectively stifles this innovation here in Wisconsin. With or without concurrence of anthropomorphic climate change, the We Energies coal paradigm remains a short term fix to a long term problem - a finite resource levied against a mindset of infinite human demand. It is both reckless and irresponsible to willfully suppress the alternative innovations our society is capable of when provided with a level playing field.

In just a few decades, our children won't have the luxury of debating energy economics or anthropogenic climate change. They will be grappling with the irreversible consequences this decision has locked in motion. As they struggle to maintain any semblance of a peaceful society amidst the chaos of displaced humanity, there is only one word capable of portraying their contempt for us: *Unforgivable*.

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