



2019-2021

Biennial Report

The PSC of Wisconsin ensures safe, reliable, affordable, and environmentally responsible utility services and equitable access to telecommunications and broadband services. The Commission works with gas, electric, water, telecommunications, and energy providers to make sure Wisconsinites have access to efficient and uninterrupted quality services that advance with new technologies, changing consumer needs, societal priorities, and economic realities.



Public Service Commission of Wisconsin
Biennial Report 2019-2021
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Public Service Commission of Wisconsin

AGENCY OVERVIEW

The Commission works to ensure that, in the absence of competition, safe, reliable, affordable, and environmentally responsible utility services is provided to utility customers. More than 1,100 utilities are under the Commission's jurisdiction. Commission approval is required before utilities can change rates, build utility infrastructure, including large power plants and related facilities, or construct transmission lines. The Commission has specific statutory criteria that must be satisfied and administrative rules that it must follow prior to making decisions.

The Commission also works to ensure Wisconsinites have equitable access to telecommunications and broadband services. The Commission administers state and federally funded broadband grant programs to expand broadband services to unserved and underserved areas of the state. The Commission also administers several Universal Service Fund (USF) programs as well as the Telecommunications Relay Service program to ensure low-income households and speech and hearing-impaired individuals have access to essential telecommunications services.

The Commission is composed of three full-time Commissioners appointed by the Governor to serve staggered six-year terms. Administrative duties of the Commission are vested in a Commissioner who is appointed Chairperson by the Governor and serves a two-year term. The Commissioners' Office houses the Commissioners, their Executive Assistants, the Chief Legal Counsel, the Communications Director, the Legislative Director, the Commission's Administrative Law Judge, the Secretary to the Commission, and support staff.

Commission staff consists of auditors, accountants, engineers, rate analysts, attorneys, policy analysts, environmental analysts, research analysts, economists, consumer analysts, consumer specialists, and paraprofessional and administrative support personnel. These experts work in an advisory role to the Commissioners. During the 2019-2021 biennium, Commission staff were housed in the following divisions:

Division of Energy Regulation and Analysis

The Division of Energy Regulation and Analysis (DERA) is responsible for carrying out the Commission's regulatory authority and mission for electric, steam and natural gas utilities. DERA conducts financial and engineering analyses; audits and investigates electric, natural gas, and steam utilities and utility holding companies; regulates electric, natural gas, and steam rates; reviews applications for construction of transmission, electric, natural gas, and steam utility infrastructure; and oversees natural gas pipeline safety. In addition to electric, natural gas, and steam rate and tariff matters, this division provides economic and statistical analysis on the operations of investor-owned utilities. Finally, DERA ensures Wisconsin's involvement in regional energy issues, including the intersection of reliability and affordability on a regional and sometimes national scale on behalf of Wisconsin customers and utilities.

Division of Water Utility Regulation and Analysis

The Division of Water Utility Regulation and Analysis (DWURA) is responsible for carrying out the Commission's regulatory authority and mission related to water utilities. DWURA works to ensure the state's drinking water utilities have the financial capacity to deliver safe, reliable drinking water in a sustainable, affordable, and environmentally responsible manner. The division designs water rates; reviews utility applications for the construction of water infrastructure; audits and investigates water utilities; promotes utility effectiveness and viability; and manages databases, information, and records related to water utilities.

Division of Digital Access, Consumer and Environmental Affairs

The Division of Digital Access, Consumer and Environmental Affairs (DACEA) is comprised of four distinct bureaus and offices: Bureau of Broadband, Digital and Telecommunications Access; Bureau of Consumer Affairs; Office of Environmental Analysis; and Office of Energy Innovation. DACEA provides oversight and leadership to the following non-regulatory grant, customer benefit, and incentive programs at the Commission: the Broadband Expansion Grant Program; the State Energy Program, which includes three distinct grant programs; the Focus on Energy Program; the Universal Service Fund, which includes four distinct grant programs; and the Wisconsin Telecommunications Relay Service. The Consumer Affairs team investigates consumer complaints related to utility service, coordinates outreach and education for utility staff and customers, operates the agency's contact center as well as the Internet and Phone Helpline, which assists the public with finding affordable and reliable internet or other telecommunications access. The Telecommunications program certifies new providers, resolves Lifeline issues, verifies provider eligibility for Universal Service Fund programs, monitors telephone numbering resources, and reviews

provider-to-provider issues such as number portability. The Environmental Team conducts environmental reviews of proposed construction projects.

Division of Business Operations & Office Management

The Division of Business Operations & Office Management (DBOM) provides the day-to-day business operations of the Commission. Within this division are three offices: Office of Employment Engagement and Business Services, Financial Services Bureau, and Office of Business and IT Services. Business management activities provided by the division include budget and financial management, information technology, staff development and training, employee engagement, records management, and facilities management.

Office of General Counsel

The Office of General Counsel (OGC) provides legal representation to the Commission on all matters under the agency's jurisdiction. It advises the Commission on the substantive and procedural requirements of the statutes and administrative rules applicable to Commission proceedings and investigation; represents the agency before state and federal courts; assists in drafting Commission memoranda and decisions; and leads and coordinates the Commission's rulemakings.

Performance and Operation for 2019-2021 Biennium

COMMISSION GOALS AND OBJECTIVES

The Commission's 2019-2021 biennium included significant regulatory and policy decisions that will help continue its mission to ensure that safe, reliable, affordable, and environmentally-responsible service is provided to all of Wisconsin's utility customers. The Commission also responded quickly and effectively to the effects of COVID-19 and played a crucial role in helping Wisconsinites access broadband service and ensuring that they continued to have access to utility services. The Commission also worked closely with utilities to understand the impact of the pandemic on their operations and provide education on relevant Commission actions. Highlights for the last biennium include:

Expanding Broadband Access in Rural Areas. Access to the internet has never been more critical and the inequities that stem from inability to access the internet have been exacerbated by the pandemic. Access to affordable, reliable high-performance broadband is a critical component of education, telemedicine, agriculture, tourism, telework, and economic development. In recognition of this, Governor Evers declared 2021 the "Year of Broadband". The Commission's Wisconsin Broadband Office (WBO) expanded access to broadband across the state significantly during this period. To promote broadband access in Wisconsin, the Broadband Expansion Grant Program provides grants to broadband service providers who partner with local governments for equipment and construction expenses incurred to extend or improve broadband service in unserved and underserved areas of the state. To date, the Commission has awarded \$72.6 million to fund 268 projects in 68 counties. In 2020 and 2021, the Commission awarded a record \$52.4 million to fund 130 broadband infrastructure projects that connected or are in the process of connecting 83,500 locations to new or improved services options. This excludes locations that may be connected as a result of a middle mile project. In addition to the Broadband Expansion Grant program the Governor allocated approximately \$5 million in Coronavirus Aid, Relief and Economic Security (CARES) Act funding for rapid projects. Eleven additional projects were funded and completed at the end of 2020. These projects provided new or improved access to service for more than 20,000 homes, businesses, and farms across the state. In May 2021, the Governor allocated \$100 million in federal American Rescue Plan Act (ARPA) funding for broadband access grants, which are expected to be awarded in October 2021.

During this time period the WBO launched three tools to help Wisconsin residents access essential telecommunications services during the pandemic. The Office collected and mapped all the special and short-term discounts that internet services providers were offering in response to the pandemic. In addition, the Office tracked Wisconsin providers who signed the Keeping Americans Connected Pledge and provided information to consumers about how to access the commitments in the pledge. Over forty special offers were listed on the Emergency Internet Resources webpage. The webpage has been viewed over 50,000 times since launching in April 2020. In order to assist residents without home internet access the WBO and the Department of Public Instruction jointly developed the Wisconsin Public Wi-Fi locations map. The mapping tool displays self-reported locations where residents can use free Wi-Fi during the pandemic. The WBO mapped over 800 locations throughout the state. Finally, the WBO and Bureau of Consumer Affairs launched a phone and internet helpline at the end of April 2020. The helpline assists consumers in locating internet service and discounts for eligible phone and internet service. The helpline assisted over 1,000 residents in the biennium.

The WBO also provided staffing, technical assistance, and management support to the Governor's Task Force on Broadband Access. These efforts included coordinating with speakers, taking notes, maintaining meeting recordings and webpages, creating agendas and adhering to open meetings rules, providing language accommodations, facilitation, and planning with the Task Force Chair. Serving as subject matter experts, WBO staff provided presentations to the Task Force, as well as a knowledge base that could be called upon during all meetings. WBO staff also assisted with the annual broadband report creation, drafting, graphic design, and copy-editing process.

Protecting Utility Customers. The Commission ensured access to utility service for Wisconsin residents by taking several quick actions to address the impacts of COVID-19. At the onset of the pandemic the Commission issued an Order providing temporary customer service protections relating to disconnection and refusal of service, deferred payment agreements, late fees, cash deposit requirements and credit card fee waivers. Specifically, the Commission directed investor-owned utilities (IOUs) to cease disconnection of residential service for nonpayment. The Commission also instructed IOUs to make reasonable attempts to reconnect service to disconnected occupied dwellings, suspended late fees, and instructed IOUs to offer flexible repayment options. Additionally, the Commission offered utilities the opportunity to submit an application for approval of a utility Arrears Management Program (AMP) designed to address the financial impacts of customer arrears. During this time period, two IOUs submitted applications for approval of an AMP.

For the first time, the Commission required the seven largest IOUs to complete a customer energy burden analysis to evaluate what portion of household income their customers spend on utility services. Utilities submitted the first set of energy burden analyses to the Commission in mid-2021 as part of utilities' 2020 annual reports. The Commission partnered with the Department of Administration (DOA) to ensure utility bill assistance reached customers who needed it most and to evaluate Energy Assistance (EA) data and performed a broad range of affordability and utility collections and arrears-related analysis as part of the Commission's ongoing investigation to address safe, reliable, and affordable access to utility services during the COVID-19 pandemic.

The Commission also continued to protect utility customers by closely scrutinizing and stabilizing rates for the major utilities throughout the state. This was done while continuing to authorize innovative tariffs designed to stimulate economic development, attract new load and retain and grow existing load, which resulted in lower costs for all customers. Over the course of the biennium, the Commission provided savings to utility customers by reducing proposed rates by more than \$30 million.

Increasing Outreach, Training, and Decreasing Complaints. The Commission provided multiple training sessions for utilities related to the provision of utility service during the various stages of the COVID-19 pandemic. This included a training followed by a question and answer session with both the Municipal Electric Utilities of Wisconsin (MEUW) and the Wisconsin Section of the American Water Works Association (WIAWWA). In addition, the Commission conducted a webinar presentation for utilities on its investigation in its COVID-19 docket 5-UI-120, providing direction on disconnection plans, deferred payment agreements and arrearage management plans.

The Commission also continued to proactively engage, train, and assist utility management on customer policy, service requirements, and compliance with other regulatory requirements. These efforts strengthened consumer protection and utility compliance, which reduce the number and percentage of complaints the Commission receives from utility customers each year. Due to these efforts, the regulatory process is more efficient and complaints are decreasing as a percentage of total contacts received by the Commission, while utility inquiries to Commission staff requesting customer policy guidance are increasing. The total length of time required to resolve a complaint also met or exceeded the Commission's goal to resolve 80 percent of all complaints within 25 days of origination.

Large-Scale Solar Projects. The Commission has approved eight large-scale solar power generating plants during the 2019-2021 biennium, adding 978 megawatts of zero-carbon solar generation to the state's electric system. The projects range from 9 megawatts to 200 megawatts and are located in various parts of southern and central Wisconsin. These projects are touchstones on a path away from power derived from carbon-heavy fuels towards electricity generated from cleaner, more renewable resources. During this time period the Commission drafted, issued for comment, and released an application filing requirements (AFR) document relating to utility scale solar applications. With the recent influx of utility scale solar projects coming to the Commission, it was important to have filing requirements specific to these projects. The solar AFR is a thorough, detailed document that outlines all of the required contents that utilities and solar developers need to provide in an application to ensure a complete and efficient review by the Commission.

Modernizing Wisconsin's Utility Infrastructure. For electric and natural gas utilities, the Commission authorized the construction of solar projects that add substantial amounts of clean energy to Wisconsin's fleet, taking advantage of decreases in renewable energy costs to address capacity needs while minimizing utility customer costs and reducing system emissions. The Commission also authorized a number of projects that improve electric distribution and transmission system reliability. To help the water industry address aging infrastructure concerns, the Commission authorized water supply, treatment, storage, distribution and transmission, and meter replacement projects. These projects increased capacity and improved water quality, public safety, system reliability, and business efficiency.

Eliminating Lead in Drinking Water. The Commission approved five utility applications to provide financial assistance to property owners for the replacement of service lines containing lead (LSLs). These programs will help contribute to the eventual removal of 26,500 service lines containing lead in those communities. Based on its experience in processing the initial applications filed following enactment of 2017 Wisconsin Act 137, the Commission revised its application filing requirements to enhance efficiency in evaluating utility applications. The Commission worked with several utilities interested in balancing use of new funding available from the Department of Natural Resources (DNR) with utility customer funding to both accelerate LSL replacement and deliver cost savings to customers. The Commission continued to work with the DNR to improve the inventory of the state's lead service lines and prioritize funding.

Wisconsin PFAS Action Council. The Commission participated in the Wisconsin PFAS Action Council as part of Governor Evers Executive Order #40. The council published the Wisconsin PFAS Action Plan that will serve as a roadmap for how state agencies will address PFAS contamination. The Commission was

identified as the lead agency to collect data on drinking water treatment and costs and to improve the efficiency in development of long term water supply solutions. The Commission, in partnership with the DNR, is working towards completing the identified actions through the collection and analysis of annual report data.

Ensuring the Safety of the Natural Gas Distribution System. The Commission continued its longstanding role of ensuring natural gas safety for workers and citizens. An established inspection system has supported safe system construction and operation and protected against accidents. In 2020, the Commission improved its federal pipeline safety program evaluation score and continued to enhance its enforcement of Wisconsin's excavation damage prevention law, the One-Call Law. Since 2019, the Commission has issued 13 civil penalties totaling \$258,850.

Providing Energy Efficiency Solutions for Rural Wisconsin. Focus on Energy is Wisconsin's statewide energy efficiency and renewable resource program. It works with all customers of participating utilities, including homeowners, renters, businesses, farms, and schools, to complete cost-effective energy efficiency and renewable energy projects that meet customers' range of energy needs. The Commission found that it was reasonable to direct the development of a new, additional set of programs to serve rural residential, agricultural, and rural industrial customers in the 2019-2022 quadrennium. These programs were designed to increase services to rural customers in 582 designated zip codes. This new package of programs included an annual budget of approximately \$8 million, plus \$300,000 annually for propane measures to be offered to rural customers through a partnership with the Commission's Office of Energy Innovation using State Energy Program (SEP) funds from the U.S. Department of Energy. The Commission sought an innovative solution to address the gap in efficiency incentives for rural propane customers, particularly in the agricultural segment. In 2020, an additional \$485,000 was added for propane measures through 2022 and for severe weather response programs in the event of flooding, heavy snow, severe thunderstorms, and tornados. These dollars would be used to provide incentives for higher energy efficient equipment replacement. Examples of propane measures include more efficient propane grain dryers, water heaters, boilers, greenhouse equipment, and the conversion of irrigation systems from diesel to propane. Also, for the farmhouse, smart thermostats and furnaces were added in 2020.

Looking Forward to Electric Vehicles. In 2019, the Commission opened a stakeholder-driven investigation to consider present and future policies and regulations of electric vehicles and the supporting electrical infrastructure that will be needed in the State of Wisconsin. The Commission solicited

comments on a range of related issues and convened a workshop to discuss barriers to electric vehicle deployment; both initiatives attracted a diverse group of participants, including electric utilities, electric vehicle manufacturers, environmental groups, consumer advocates, and members of the public. Informed by participant feedback, the Commission issued an Order in 2020 encouraging electric utilities to develop pilot programs addressing customers' electric vehicle interests and needs, and establishing a framework for pilot review and approval that offers regulatory clarity for utilities pursuing new ideas. The Commission has approved electric vehicle pilots for three utilities since 2020 and is reviewing proposals from another utility in late 2021. Further, the State Energy Office (SEO) offered Electric Vehicle and Charging Infrastructure grants through the Energy Innovation Grant Program. Two entities were awarded grants. Future program offerings are in early stages of development and the SEO is collaborating closely with DOA, DNR, the Department of Transportation, and the Wisconsin Economic Development Corporation (WEDC) on various opportunities to accelerate electric vehicle adoption.

Performance and Operation for 2019-2021 Biennium

MAJOR POLICY INITIATIVES BY DIVISION

DIVISION OF ENERGY REGULATION AND ANALYSIS

Reviewing Innovative Financial Tools for Generation Retirements. Wisconsin utilities have started to retire coal generation plants to take advantage of the lower costs of alternative generation sources and meet their self-identified emissions reductions goals. In 2019, two Wisconsin utilities proposed a settlement with stakeholders that includes an initial effort to assess whether the costs of unit retirements can be managed through securitization, a tool that reduces the costs to ratepayers by issuing bonds that reduce the interest rate for the remaining unpaid costs of the retired plant. The Commission issued a financing Order in 2020 approving this securitization arrangement, which is projected to reduce costs for utility customers by over \$40 million.

Innovative Renewable Tariffs. Throughout the biennium, the Commission approved innovative proposals enabling utilities to meet customer demand for renewable energy, ensuring affordability for participants, and avoiding cost impacts on non-participants. Models for delivering renewable energy included community solar gardens allowing residential and small commercial customers to purchase subscriptions for solar power, and renewable energy riders for non-residential customers to contract with their utilities for procurement of utility-scale renewable resources. The Commission also approved lower subscription rates for several municipal renewable energy tariffs, thereby making it more affordable to purchase renewable energy.

Improving Natural Gas Reliability. In June 2020, the Commission authorized Wisconsin Electric Power Company to construct natural gas facilities to increase the quantity and reliability of natural gas service in southeastern Wisconsin. The project includes installation of approximately 46 miles of 24-inch distribution main and improvements to existing distribution equipment at a total estimated cost of \$186 million. The Commission has also approved other projects to replace aging gas mains to meet current demand and increase capacity.

Strategic Energy Assessment (SEA). The biennial SEA process provides an opportunity for the Commission to inform policymakers, stakeholders, and the public on the ongoing changes in Wisconsin's dynamic utility environment. The SEA report released by the Commission in 2020, assessing Wisconsin's electric system through 2026, expanded upon previous reports to provide more information on a variety of recent changes in the electric system, including the growth in generation from renewable sources and utility efforts to reduce system emissions. The Commission received substantial public input on the report, which it will use to inform further expansions to its approach when it releases its next SEA report in 2022.

Maintaining influence within MISO and other Regional Transmission Organizations. The Commission continued to hold leadership roles in work groups that directly advise MISO on transmission planning, cost allocation, renewable energy, and wholesale market issues, to ensure Wisconsin's interests are represented in regional decision making. Through these leadership roles, the Commission ensured that Wisconsin's interests are represented in MISO's engagement with new federal policy initiatives, including a new review of federal transmission regulations and a federal requirement for MISO to expand access to its energy markets for customer-scale distributed energy resources.

DIVISION OF WATER UTILITY REGULATION AND ANALYSIS

Water Resources Planning. Water utilities in Wisconsin have entered an era during which there will be an increased need for investment in both reconstruction of aging facilities and solutions to the challenges posed by emerging water quality concerns. The Commission worked to ensure that Wisconsin utilities maintained effective, efficient service delivered in an environmentally responsible manner at reasonable rates. The Commission continued to support integrated, effective planning for water resources and demand, as well as development of innovative, reliable funding mechanisms to replace aging infrastructure, including the continued abatement of lead service lines.

Water Utility Education. To help ensure utilities are providing service to their customers in a cost-effective manner that meets community needs, the Commission was proactive in educating water utilities and their customers regarding legal requirements, the ratemaking process, and best practices. To ensure continued delivery of safe, adequate water utility service across the state, the Commission assisted water utilities in identifying and implementing solutions to financial challenges and customer affordability concerns. The Commission monitored utilities' financial, resource, workforce, customer affordability, and other challenges and connected utility staff with resources and industry accepted practices for addressing those challenges. During the biennium, the Commission identified new partnerships and

leveraged existing relationships to expand its training and resources. In addition, the Commission offered more opportunities for utilities to participate remotely in meetings and training events.

Water Rate Cases. During the biennium, the Commission issued Final Decisions in 97 conventional water rate cases, 1 combined water and sewer rate case, and 169 simplified water rate cases. In processing these cases, the Commission worked with utilities to address specific community needs and developed just, reasonable, and non-discriminatory rates based on local considerations and needs.

Water Utility Construction Cases. The Commission issued 83 certificates of authority for projects such as wells, transmission mains, elevated tanks, booster stations, water treatment facilities, and advanced metering systems in the two year period. These approvals included Waukesha Water Utility (WWU) and Milwaukee Water Works projects that would provide WWU customers with water from Lake Michigan. In addition, the Commission investigated 21 utilities for compliance issues related to constructing facilities without having the necessary Commission approval in place, failure to file annual reports and construction cost overruns. In order to provide local communities a more streamlined approval process, the Commission continued to coordinate its project review activities with DNR's Safe Drinking Water Loan Program, DOA's Community Development Block Grant program, and the US Department of Agriculture's Rural Development program to ensure utilities meet regulatory requirements and funding agency deadlines. The Commission also initiated development of a construction review manual, an effort that will continue into the next biennium.

Promoting Water Utility Effectiveness. The Commission continued its collaborative work with the DNR and other agencies, as well as water industry association partners to provide utilities with resources to promote the adoption of efficient business practices such as water loss control plans, asset management, and economically optimized infrastructure replacement. The Commission established regular meetings with water and municipal association members during COVID-19 to better understand utility concerns and needs, help utilities understand Commission actions, and connect utility staff with resources. Commission staff also held virtual listening sessions to provide water utility staff with answers to their questions about Commission decisions related to COVID-19 and raise awareness of reporting and other requirements. The Commission's financial outreach program provided targeted services to financially troubled utilities. During the biennium, the Commission worked with 21 utilities as part of this program. All but one utility contacted in the two-year period took steps to improve their financial situation within a year.

DIVISION OF DIGITAL ACCESS, CONSUMER AND ENVIRONMENTAL AFFAIRS

New, Additional Funding for Broadband Expansion Grants. 2019 Wisconsin Act 9 allocated an additional \$44 million for broadband expansion grants over the biennium in addition to a minimum of \$2 million in ongoing, annual grant program funding. In 2020 and 2021, the Commission awarded a record \$52.4 million to fund 130 broadband infrastructure projects that connected or are in the process of connecting 83,500 locations to new or improved services options. Additionally, in 2020, the Governor made approximately \$5 million of CARES Act funding available for rapid projects that were awarded and complete during the 2020 calendar year. These projects connected over 20,000 locations. The grants leveraged private and other public investment to areas of our state where a private company may not see a return on investment that would merit private capital investment.

Better Broadband Maps. The Wisconsin Broadband Map displays coverage data submitted directly to the Commission and, when needed, through the Federal Communications Commission (FCC). The majority of providers submit coverage data directly to the Commission through a voluntary data collection program, which started in 2018. This data collection program helps the Commission overcome the time-lag between when the FCC collects coverage data and when the FCC makes that data available. The voluntary program also invites providers to submit coverage data at a sub-census block level of accuracy, improving on the current FCC standard. A growing number of providers submit this more accurate data for coverage mapping. In 2019 and 2020, the program grew to 64 out of approximately 90 voluntary participants, with a fraction providing granular coverage data in its most recent data collection. The voluntary program continues to gain momentum. The Commission plans to continue innovating and collaborating to collect and publish timely and accurate broadband access, affordability, and adoption data.

Community Engagement and Capacity Building Created by 2015 Wisconsin Act 278, Broadband Forward! and Telecommuter Forward! are voluntary programs for local units of government to signal that the political subdivision has taken steps to reduce obstacles to broadband infrastructure investment. The WBO continued to encourage broadband development and deployment by certifying local communities as being Broadband Forward!. During the 2019-2021 biennium, the Office certified 29 communities as Broadband Forward! and 35 communities as Telecommuter Forward!. In addition to the certification program, WBO staff offered information, presentations, and data to communities throughout the state. During the biennium, staff made over 50 outreach and informational presentations on mapping,

broadband data, the grant program, the federal Emergency Broadband Benefit, and digital equity. In addition, WBO staff served as a resource for a technical assistance pilot program that was administered by WEDC.

Leverage Focus on Energy's contributions to our state. Focus on Energy provides great value for Wisconsin by growing the state's economy, creating new jobs, and contributing to our carbon reduction goal. Focus on Energy has made Wisconsin a national leader in energy efficiency and renewables, with Wisconsin running the most cost effective programs in the country, and the Commission will support its continued success. The primary goal set by the Commission was an "overall" savings goal combining savings from electricity and natural gas, of 212,095,668 MMBtu net life cycle savings for the 2019-2022 quadrennium. Separate goals were also set for electric energy savings, electric demand savings, and natural gas savings. Program cost-effectiveness has remained high, even as Focus ramped up higher-cost efforts to reach rural customers and develop new programs. For 2019-2022, the Commission directed the design of a new portfolio of programs to serve agricultural and other rural customers. This new package of programs includes an annual budget of \$8.8 million, plus \$300,000 annually for propane measures to be offered to rural customers through a partnership with the Commission's Office of Energy Innovation using State Energy Program (SEP) funds from the U.S. Department of Energy. In 2020, an additional \$485,000 was added for propane measures through 2022 and for severe weather response programs in the event of flooding, heavy snow, severe thunderstorms and tornados. These dollars would be used to provide incentives for higher energy efficient equipment replacement.

Consumer Affairs and Customer Service. The Commission's Consumer Affairs work unit focused its efforts on educating gas, electric, and water utilities and their customers, to ensure compliance with billing, collections and service requirements. The Commission provided utility education and outreach at the Municipal Clerks and Treasurers Institute, Water Utility Stakeholder meetings, and to utility groups such as MEUW on accounting and customer service practices, in addition to the COVID-19 trainings and webinar mentioned above. Commission staff also conducted biannual utility roundtable meetings with the IOUs and some of the municipal utilities to provide Commission updates and discuss customer service best practices. The Commission has also made it a priority to educate customers on how they can be involved in the Commission's process generally, which helps ensure customers' voices are heard and increases transparency.

As a result of this sustained, proactive focus on outreach and education, utilities and customers continue to view the Commission as a valuable resource and contact the Commission requesting assistance on customer policies and customer protections. The total number of contacts from customers and utilities continued to increase and the issues analyzed are more complex. The Commission has responded to over 2,400 utility inquiries in the 2019-2021 biennium. Additionally, with the creation of the PSC Internet and Phone Helpline, Consumer Affairs staff were trained to assist customers who need help finding internet access.

Focus on Energy: Achieving a Gold Standard. Focus on Energy’s 2019 and 2020 evaluation reports showed the program continued to be cost effective and garner high customer satisfaction. During the first two years of the 2019-2022 quadrennium, Focus on Energy programs resulted in 15,684,589 tons of avoided CO₂. Program cost-effectiveness remained high, even as Focus ramped up higher-cost efforts to reach rural customers and develop new programs. Under the Commission’s official test, Focus achieved \$2.43 in benefits for every \$1 in costs in 2020; when economic benefits are added, the ratio increases to \$4.32:1. Across all Focus programs, customer satisfaction was measured at 9.4 on a 10-point scale in 2020. After the first two years of the 2019-2022 quadrennium, the program administrator is on pace to achieve the Commission-set total gross energy savings goals. The primary goal set by the Commission is an “overall” savings goal combining savings from electricity and natural gas. Separate goals were also set for electric energy savings, electric demand savings, and natural gas savings. The program administrator achieved 53 percent of this overall savings goal in the first two years of the quadrennium, with 68 percent of its electricity energy savings goal achieved, 43 percent of its natural gas savings goal achieved, and 56 percent of its electric demand savings goal achieved.

DIVISION OF BUSINESS OPERATIONS & OFFICE MANAGEMENT

Transition to Remote Work. Commission staff quickly and successfully transitioned to remote work at the beginning of the pandemic. Due to leadership’s foresight, the Commission had essential IT resources in place to ensure that all Commission staff had the necessary tools to continue to perform at a high level to achieve Commission goals while also meeting all statutory deadlines. At the onset of the pandemic the Commission swiftly transitioned its weekly Open Meetings to a virtual platform and, unlike many other public utility commissions across the country, no meetings had to be canceled or postponed. Remote electronic meeting platforms have brought supervisors and their staff together and provide another level of accountability in this new business climate. Additionally, the platform for the Commission’s weekly

Open Meetings provides flexibility for citizens to attend in-person or virtually. At the end of the biennium, the Commission worked diligently to ensure that all necessary resources were available as staff prepared to transition to a hybrid work environment.

Cybersecurity training. The Commission continued to partner with Wisconsin water utilities to provide cybersecurity training to Wisconsin water utilities. This is critical in light of recent high-level national events involving water utilities. This training aims to help water utility personnel and management understand the impacts that a cyber-attack could have on their operations. The Commission introduces utilities to resources that are available to them as they safeguard themselves from cybersecurity threats.

Fiscal Best Practices. During the 2019-2021 biennium the Commission continued to focus on fiscal best practices to ensure continued accountability and program integrity. The transition to a remote work environment also led to additional process changes to transition to electronic records. Further, with the additional grant funding that was provided during the biennium, the team continued to work on scaling operations to meet the needs of the grant programs while maintaining program integrity and ensuring compliance with both state and federal funding requirements.

Employee Engagement. The Commission successfully launched an employee engagement survey during the biennium. To date, two surveys have been administered to all staff of the agency. Questions were kept nearly identical to look for trends and track agency progress. Results were shared with all staff and management analyzed the outcomes to assist with the development of agency and division goals. Overall, an improvement was noted with the second survey that was administered compared with the original. The Commission will again administer the survey in November 2021 and looks forward to the results as we strive to engage our workforce.

Program Goals and Objectives for 2021-2023 Biennium

COMMISSION GOALS AND OBJECTIVES INCLUDED IN 2021 WI ACT 58

Ensure safe, reliable, affordable, and environmentally responsible energy and water services. The Commission, through its review of applications to adjust energy and water utility rates and authorize new construction, will continue to ensure that the reasonable needs of the public for energy and water services are met in a safe, reliable, affordable, and environmentally responsible manner. Wisconsin continues to increase its use of clean and natural gas generation, due to their declining costs and lower environmental impacts. This transition entails reviewing the costs of constructing new generation and assessing any effects on reliability. As the Commission continues to review applications related to new generation, it will seek to strike the proper balance between obtaining the economic and environmental benefits of clean energy sources and maintaining low rates and reliability for customers.

Meet consumers' changing needs in Wisconsin's dynamic and competitive utility industry environment. The Commission places importance on the participation of diverse groups in its regulatory actions and will provide consistent and prompt assistance to organizations applying for intervenor compensation. It will also increase consumers' access to alternate telecommunication providers by effectively and efficiently certifying new applicants to telecommunications markets, and facilitate consumer access to competitive telecommunications providers by reviewing and approving interconnection agreements and arbitrating or mediating agreements when providers cannot negotiate one. Lastly, the Commission will thoroughly investigate, resolve, and respond to consumer complaints from utility customers.

Foster innovative, cost-effective, and fiscally responsible water utility administration. As infrastructure ages and budgets tighten, the Commission has set a goal to increase the number of external training sessions given by Commission staff to water utilities, including speaking engagements at water industry association meetings.

Foster the expansion, adoption, and use of broadband technologies. The mission of the Wisconsin Broadband Office (WBO) is to make Wisconsin more competitive through advancing the availability,

adoption, and use of broadband technologies. Since 2009, the WBO has been collecting and mapping broadband coverage information for improved planning purposes and will continue to do so in the next biennium. The WBO will continue to work with stakeholders to build partnerships with providers and consumers to enhance broadband across the state. Key WBO programs include Broadband Expansion Grants, Broadband Forward! Community Certifications, Telecommuter Forward! Community Certifications, and the Wisconsin Broadband Map.

Identify and address telecommunication needs of low-income households, those residing in high-rate areas of the state, and customers with disabilities. The Commission will continue to administer several programs that address telecommunications needs of Wisconsin residents. The Wisconsin Universal Service Fund (USF) promotes access to essential and advanced telecommunications services through discounted rates for service and targeted grant programs. Essential telecommunications services are provided by both landline and wireless carriers. A wireless or wireline carrier that has been designated as an Eligible Telecommunications Carrier (ETC) by the Commission may receive federal and state USF funds to offset a portion of the cost of providing service, as well as discounted services (Lifeline) for eligible low-income customers in Wisconsin. Prepaid wireless subscriptions have become the preferred technology for USF-supported Lifeline services. The USF also provides support to assist customers in areas of the state that have relatively high costs of telecommunications services. Additional USF programs are designed to assist low-income customers to obtain affordable wireline telecommunications service throughout the state. For customers with disabilities, the USF provides assistance with obtaining affordable access to a basic set of essential telecommunications services.

Additionally, the Wisconsin Telecommunications Relay Service (WTRS) is a free communication service that provides full telephone accessibility to Wisconsin citizens who are deaf, hard-of-hearing, deafblind, and speech-disabled. This program enables an individual with a hearing or speech disability to communicate by telephone or other devices through the telephone system.

Ensure quality broadband, essential telecommunication services, and energy innovation are provided by facilitating related grant programs. The Commission will continue to administer grant programs that foster innovation and expand access to vital and beneficial programs and services for Wisconsin residents, businesses, schools, nonprofits, and political subdivisions. Grant programs include:

- Energy Innovation Grants - Energy efficiency and renewable energy projects for manufacturers, universities, k-12 schools, hospitals and municipalities.
- Broadband Expansion Grants - Broadband infrastructure expansion through public-private partnerships.
- Telemedicine Grants - Innovative and vital telemedicine equipment projects.
- Nonprofit Access Grants - Access to essential telecommunications services through nonprofits for low-income Wisconsinites.
- TEPP Outreach Grants - Access for hard of hearing, deaf, and low vision Wisconsinites to the Telecommunications Equipment Purchase Program through the USF.

Program Goals and Objectives for 2021-2023 Biennium

MAJOR POLICY INITIATIVES BY DIVISION

DIVISION OF ENERGY REGULATION AND ANALYSIS

Review Compensation for Customer-Owned Renewables. In 2020, the Commission opened an investigation on the buyback rates used to compensate customer-owned renewable energy installations for the electricity they provide to the grid. To begin the investigation, the Commission comprehensively documented current buyback rate structures in Wisconsin and collected input from renewable energy providers, electric utilities, and other interested stakeholders on the considerations involved in establishing appropriate rates. In 2021, the Commission ordered utilities to propose updated rates for large facilities and has started working with national experts to conduct more research on the rate options available for small renewable facilities such as rooftop solar installations.

Support More Transparent Utility Resource Planning Through the Strategic Energy Assessment. In March 2021, the Commission opened a Roadmap to Zero Carbon investigation to assess a wide range of issues associated with the ongoing transition towards the Governor's goal of achieving 100% carbon-free electricity consumption in Wisconsin by 2050. When the Commission solicited public input on the highest priorities for the investigation, many commenters emphasized the importance of establishing more transparent utility resource planning processes. As the electric system rapidly transitions away from coal and towards solar energy and other cleaner resources, effective and transparent planning is essential to help Wisconsin achieve the economic and environmental benefits the transition can provide, while maintaining adequate electric supply, reliability, and affordability for all customers. In September 2021, the Commission established an expanded platform for transparent planning in the SEA, by requesting more data from generation-owning utilities on the planning analysis conducted to justify their announced changes to their generation systems, and directing Commission staff to explore conducting independent, statewide resource planning. This work will be reflected in the SEA report released to the public in 2022.

Explore Performance-Based Regulation. Another priority identified in the Roadmap to Zero Carbon investigation was to pursue the establishment of performance-based regulation, which can encourage better utility outcomes by establishing financial performance in achieving policy goals. As part of its next

steps in the Roadmap investigation, the Commission is organizing a workshop to facilitate stakeholder-driven discussion of performance-based regulation options, and help identify Wisconsin-specific approaches that can be applied to drive constructive change.

DIVISION OF WATER UTILITY REGULATION AND ANALYSIS

Engagement and Education. The COVID-19 pandemic highlighted the need for utility resilience and sustainability. The Commission will build on its ongoing affordability work and will work with stakeholders to identify options for utilities to consider in working with their customers to ensure continuity of safe, reliable service. The Commission will collaborate with utilities and other stakeholders to evaluate, raise awareness of, and incentivize the use of a range of utility partnerships to address compliance, financial, and resource challenges, with a particular focus on options that would benefit small utilities and their customers.

Collaborating on Safe Drinking Water. The Commission will continue to work with other agencies and water utilities to optimize use of existing and identify additional funding sources to accelerate replacement of LSLs to advance health equity in a financially sustainable manner. The Commission will also collaborate with other agencies to identify additional options for reducing childhood blood lead levels by participating in the Interagency Network on Lead. Finally, the Commission will continue to participate in and support work of the Wisconsin PFAS Action Council.

Water Rate Cases. The water rates team will continue to implement process improvements established in the last biennium and identify additional ways to reduce average rate case processing times, which saw consistent year-over-year and quarter-over-quarter reductions in the last year of the biennium. This effort will include enhancing utility staffs' understanding of the rate case process as well as Commission and utility staffs' roles and responsibilities.

Water Construction Cases. The water construction team will finalize its construction manual and implement process revisions to improve efficiency and effectiveness of construction application review. This work will include working with stakeholders to revise the checklists Commission staff use in evaluating various types of applications.

Data Analysis. The Commission will continue to utilize the data collected through annual reports and surveys to inform, adapt and improve Commission processes and provide additional transparency to stakeholders interested in water utility performance and cases before the Commission. The Commission will work to identify quality control measures on utility reported data to reduce case processing times and better inform local decisions about utility finances and infrastructure. This effort will support the Commission's work to promote water conservation and efficiency as tools for ensuring resource and financial sustainability and water rate affordability. Utility capital and financial plans and programs that are based on reliable data and incorporate system distribution and operational efficiency and customer demand management can help utilities meet multiple challenges. The Commission will identify and scope other processes and systems that would improve utilization of data both internally and externally.

DIVISION OF DIGITAL ACCESS, CONSUMER AND ENVIRONMENTAL AFFAIRS

Deploy Broadband Expansion Funds. The WBO will use the established, successful state grant program mechanism to distribute historic levels of state funds as well as new federal funds. The Commission will develop any additional needed criteria to align federally-funded projects with federal guidance. Additionally, the Commission will monitor and report on project activity to ensure compliance and successful completion.

Plan and Execute Focus on Energy Quadrennium IV. Focus on Energy will begin Quadrennium IV program delivery on January 1, 2023. The Focus on Energy team has been working closely with the Commission to plan for the quadrennium over three public comment periods starting in November 2021. Planning will commence in August 2022 and will be completed in the fall of 2022. The team will seek stakeholder feedback and input throughout the planning process.

Modernize Wisconsin Energy Statistics. The Wisconsin Energy Statistics Publication is a publication from the State Energy Office (SEO) which serves as a comprehensive source of data on energy consumption, generation, prices, expenditures, and renewable energy development in Wisconsin. In 2020, the office began a project to modernize the publication using dashboards and mapping. The team has made significant strides with a goal to complete development and publish the new system by mid-2022.

Low Income Solar Development. The SEO team is working to deploy 2 community solar systems for low to moderate income households through the new Wisconsin Inclusive Solar Community Offering (WISCO). SEO is working closely with 2 projects in Vernon and Pierce Counties with plans to complete installation in mid-2022.

DIVISION OF BUSINESS OPERATIONS & OFFICE MANAGEMENT

Equity and Inclusion. Diversity is critical in any workplace and the Commission has been intentional in its efforts to make certain we are looking through a lens of equity and inclusion. Within the last year, the Commission created a new position - Director of Employee Engagement and Business Services. This position covers many critical areas including developing and administering our training programs, engaging our workforce, and overseeing our equity and inclusion efforts. The agency's IDEAS Council is a group of volunteer employees who meet monthly to develop initiatives and advise the Chairperson on efforts the agency can take to compliment the work that has already been done. The Commission regularly works with its supervisors to ensure they are properly trained in the area of diversity and that their recruiting efforts are done in an equitable and inclusive manner. The Commission looks to further its efforts with training and facilitating various speakers to engage our staff on these critical topics. In addition, the Commission will continue to collaborate with other agencies and Region 1 Human Resources on trainings for staff in accordance with the agency's Diversity Equity and Inclusion (DEI) plan. For the first time in 2021, the Commission collected workforce diversity and supplier diversity metrics as part of utilities' 2020 annual reports. This important data will assist the agency in comparing its own DEI efforts with the industry as a whole, as well as seek out collaboration opportunities to increase diversity in employment and spending.

Training. Training is critical in any sector of work, however, it sometimes is sidelined due to the rigors of daily workload. In the last biennium, the Commission worked to establish a core training curriculum for employees. This was done not only for new employees, but our veteran staff as well. Our employee engagement surveys indicated that staff wanted additional opportunities to train and further themselves professionally. Intensive training was also developed for our supervisory staff to ensure they have the tools to successfully manage and develop their staff. The Commission has utilized internal staff, the new training platform Cornerstone, DOA's Bureau of Training and Development, faculty from the University of Wisconsin, and outside facilitators to provide numerous training opportunities for staff. The Commission will continue to develop and strengthen its robust training plan.

Information Technology Strategic Planning. The Commission is currently involved in the development of a 3-year information technology (IT) strategic planning effort. This exercise will set the course to ensure our IT initiatives align with Commission and divisional goals. The strategic plan strives to increase efficiencies, provide exceptional customer service, modernize applications, strengthen security, and improve the overall user experience (both internally and externally). Once fully developed, the Commission will implement this critical plan and ensure it becomes a roadmap that compliments the agency and the citizens it serves.

Creating & developing flexible-time schedules, alternative work patterns & remote work

COMMISSION BEST PRACTICES

The Commission has long been an advocate of flexible-time schedules and alternative work patterns for high-performing staff. This became even more important over the last biennium as staff navigated personal and professional challenges during the pandemic. During this time staff have continued to perform at high levels and successfully achieve the Commission's goals and objectives. The Commission views flexible-time schedules and alternative work patterns as an essential retention and recruitment tool and plans to continue offering flexibility going forward.

Another key retention and recruitment tool is the ability for staff to continue to work remotely for a portion of the work week. This flexibility has been embraced by the private sector for years and after COVID-19 has become a common practice. Given the Commission's success with transitioning to a fully remote work environment at the onset of the pandemic and more recently to a hybrid environment, we will continue to offer staff this important benefit.