



2021-2023

## 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 2021-2023**  
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# AGENCY OVERVIEW

The Public Service Commission of Wisconsin ensures safe, reliable, affordable, and environmentally responsible utility services and equitable access to telecommunications and broadband services.

To carry out our mission, the Commission:

- Values diversity in the workplace, allowing employees to fully develop and contribute their individual skills in meeting the needs of our diverse customer base;
- Ensures fair pricing for utility services to customers and to utility investors;
- Sets quality standards for utility services and ensures that the standards are met or exceeded;
- Ensures reliability so there will be sufficient resources, facilities and alternatives available to meet the needs of present and future utility customers at a reasonable price;
- Ensures utility services are provided in an efficient and environmentally responsible manner;
- Protects the interests of both investors and customers and ensures that securities issued by utilities meet the needs of utilities;
- Provides fairness in transactions between utilities and their customers, other utilities, and other entities specifically provided protection by law;
- Adjusts our oversight of utilities according to the level of competition in their markets and according to the degree of customer satisfaction with their services;
- Educates Wisconsin citizens on utility issues and promotes their involvement in our decision-making process.

In all of the above, the Commission considers and balances diverse perspectives and endeavors to protect the environment, public interest, and public health and welfare.

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 (TRS) 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 2021-2023 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 public electric, natural gas, and steam 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, distribution, generation and other 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 and the regional power grid. DERA coordinates 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 state-funded Broadband Expansion Grant Program; several new one-time federal programs to fund broadband access and infrastructure and digital equity grants to achieve Internet for All in Wisconsin; the State Energy Program, which includes the Energy Innovation Grant Program, as well as some smaller grant programs focused on energy resiliency, and incorporating new federally funded clean energy programs that are designated by the federal Department of Energy to be administered by State Energy Offices; the Focus on Energy Program; the Universal Service Fund (USF), 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.

# 2021-2023 Performance and Operation

## COMMISSION PERFORMANCE AND OPERATION

The 2021-2023 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 biennium also included significant grant program activity in the areas of broadband expansion and clean energy.

**Transparency and Inclusivity.** The responsibilities of the Commission impact every Wisconsin resident every single day. The provision of safe, clean drinking water and reliable sources of heat and electricity; the expansion of high-speed Internet and equitable access to telecommunications services do not happen easily. The PSC values community input in every step of the process to strengthen the robust record that is used for decision making. During the biennium the Commission returned to in-person public hearings and hosted workshops and webinars. Additionally, the Commission introduced a [YouTube channel](#) to stream and play back proceedings, including open meetings.

This Commission also launched a re-designed [website](#). The re-design focused on improving the navigation and using principles of plain language for content on the pages, especially the pages that are focused on the general public. The result is a fresh look with features that are intuitive and make it easier for all of our stakeholders to find the information they need quickly and efficiently.

**Expanding Broadband Access in Rural Areas.** Access to the internet has never been more critical and the inequities that stem from the inability to access the internet were exacerbated by the COVID-19 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. Through 2023, the Commission has awarded \$319.5 million in funding to 458 projects in 71 counties. In FY2022 and FY2023, the Commission awarded a record \$241.5 million in state and federal funds to support 178 projects that connected or are in the process of connecting an estimated 124,000 locations to new or

improved broadband service options. An additional \$42 million in federal Capital Projects Fund Broadband Infrastructure grants are expected to be awarded in early 2024.

During this time period, the WBO accelerated its efforts to ensure access to affordable and reliable internet for all Wisconsinites. In addition to awarding a historic amount of grants, the WBO has worked to leverage federal funds under the Bipartisan Infrastructure Law (BIL) to develop a comprehensive plan for deployment of broadband infrastructure to all Wisconsinites and conducted robust outreach efforts across the state to learn the barriers to broadband deployment and digital equity to ensure meaningful participation in digital society. In spring 2023, WBO hosted the Internet for All Wisconsin Listening Tour to meet with and learn from members of the public in preparation of its statewide broadband deployment and digital equity plans. WBO further held over 100 meetings, webinars, and outreach events with a broad and diverse group of stakeholders to inform its planning efforts. Alongside its partners at the University of Wisconsin-Madison Division of Extension and Wisconsin Economic Development Corporation, the Commission has elevated statewide capacity to plan, deploy, and adopt broadband by allocating statewide planning grants to counties and regional partners, providing technical assistance, and conducting outreach. WBO continues to staff the [Governor's Task Force on Broadband Access](#), which convenes monthly and released annual reports in 2022 and 2023 on the work and findings of the Task Force.

**Protecting Utility Customers.** The Commission continued to investigate the affordability of access to utility service for Wisconsin residents. Utilities were encouraged to offer more flexible payment arrangements and file Arrearage Management Programs (AMPs) to address increased arrears and affordability concerns coming out of the COVID-19 pandemic. Several utilities have established arrangements with more favorable terms for customers when establishing deferred payment agreements (DPAs) to avoid service interruption and late fees, while giving customers an opportunity to reduce or eliminate arrears by completing DPAs or enrolling in and completing AMPs. The Commission also opened investigation dockets to explore available options to address customer affordability challenges.

The Commission has also established expanded utility reporting on customer affordability issues to provide transparency and support data-driven analysis. Annual utility reports now incorporate expanded reporting on customer arrears and disconnections. In addition, the Commission required the seven largest investor-owned utilities (IOUs) to complete a customer energy burden analysis at the census tract level to evaluate what portion of household income their customers spend on utility services. Utilities began providing this summary of energy burden analyses, at a broader level, to the



Commission in mid-2021 as part of utilities' 2020 annual reports. This energy burden analysis assists in evaluating the impacts of utility bills on average utility customers as well as households at a range of federal poverty level incomes. Furthermore, the Commission partnered with the Department of Administration (DOA) to ensure utility bill assistance reached customers who needed it most. Commission staff performed a broad range of affordability and utility collections and arrears-related analysis as part of the rate cases before the Commission.

The Commission continued to protect utility customers by closely scrutinizing rates for the major utilities throughout the state. Rising fuel costs, which are market-driven, resulted in an overall cost increase to customers during the biennium. Careful Commission review of utility costs minimized these increases to the extent possible. This was done while continuing to authorize innovative tariffs designed to stimulate economic development, attract new load, and retain and grow existing load.

The Commission also established new reporting requirements for utilities who apply for and receive funding as part of the Infrastructure Investment and Jobs Act and the Inflation Reduction Act to ensure customers ultimately benefit from the investments. Additionally, the Commission ensured the voices of landowners were heard and landowners were engaged during construction projects. It also authorized customer arrears management programs and other programs for customers who wanted rate-reducing options and started collecting and reporting customer arrears by quarter and the number of disconnections and disconnection notices.

**Roadmap to Zero Carbon.** 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. The investigation will help the Commission gather information needed to develop a roadmap to achieving zero carbon electricity that analyzes the full range of considerations and identify approaches to achieve the economic and environmental benefits the transition can provide, while maintaining adequate electric supply, reliability, and affordability for all customers. As part of the investigation, the Commission solicited public input to help the Commission identify key priorities, which include utility resource planning, performance-based regulation, energy efficiency issues and customer affordability.

**Modernizing Wisconsin's Utility Infrastructure.** For electric and natural gas utilities, the Commission authorized the construction of numerous solar projects that added 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.

**Large-Scale Solar Projects.** During the 2021-2023 biennium, the Commission approved utility-scale solar power generating plants and battery energy storage system projects at 13 locations in Wisconsin, adding 1566 megawatts of zero-carbon solar generation and 588 megawatts of batteries to the state's electric system. The projects range from 60 megawatts to 300 megawatts and are located in various parts of Wisconsin. These projects are touchstones on a path away from power derived from carbon-heavy fuels towards electricity generated from cleaner, more renewable resources. The Commission used application filing requirements (AFR) specific to these utility-scale solar projects. The solar AFR is a thorough, detailed document that outlines all of the required content that utilities and solar developers need to provide in an application to ensure a complete and efficient review by the Commission.

**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. The Commission continued to improve its federal pipeline safety program evaluation score and for calendar year 2022, scored 100 out of a possible 100 points. Wisconsin's operations and procedures are being held up by the US Department of Transportation Pipeline and Hazardous Materials Safety Administration as a model for other states to follow. The Commission continued to enhance its enforcement of Wisconsin's excavation damage prevention law, the One-Call Law, by streamlining internal processes to process cases efficiently. Since 2021, the Commission has issued 14 civil penalties related to its enforcement of the One-Call Law, totaling \$327,500. In the 2021-2023 biennium, the Commission provided additional public awareness to pipeline safety in April of each year, which was declared by the Governor to be "Safe Digging Month."

**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, including by initiating a partnership with the Commission's OEI to address the historical gap in efficiency incentives for rural propane users, known as the Rural and Agricultural Incentives Program. Since its inception, the program has delivered 12,551,417 gallons in lifecycle propane savings across 700 projects, and the Commission approved an increased program budget for 2023 to respond to continuing high demand for the program.

In 2022, as part of its [Quadrennial Planning Process IV](#) to set new program goals and targets for the 2023-26 time period, the Commission ordered Focus on Energy to continue the goal of ensuring rural customers receive incentives in proportion to their share of the state population. The Commission also approved additional programs and initiatives to better serve previously underserved customers, including increasing participation targets for income-qualified programs; ordering the Program Administrator to work with the DOA's Weatherization Program to fill gaps in low-income program offerings; and convening a stakeholder group that includes community-based organizations that work with marginalized communities to gather input on how to reduce participation barriers and effectively reach customers in those communities.

**Eliminating Lead in Drinking Water.** The Commission approved ten 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 over 27,000 customer-side 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 closely with stakeholders and utilities to balance the 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 Commission continued to implement specific responsibilities published in the Wisconsin PFAS Action Plan that serves as a roadmap for how state agencies will address PFAS contamination. The Commission was the lead agency to collect data on drinking water treatment and costs and to improve efficiency in the 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.

# 2021-2023 Performance and Operation

## PERFORMANCE AND OPERATION BY DIVISION

### DIVISION OF ENERGY REGULATION AND ANALYSIS

**Performance-Based Regulation.** A 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. In 2022, the Commission organized a series of workshops to facilitate stakeholder-driven discussion of performance-based regulation options and help identify Wisconsin-specific approaches that can be applied to drive constructive change. Public attendance from statewide advocates and utility customers at the workshops grew throughout the year, which led to robust, forward-thinking dialogue. As a result of these workshops, stakeholders identified affordability and energy efficiency as the top two priorities for the Commission to consider for performance-based regulation, followed by demand response, grid reliability and resiliency, and decarbonization. Commission staff followed up on the workshops in 2023 by researching how performance-based regulation in the priority areas could work in Wisconsin.

**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. During the 2021-2023 biennium, 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. Additionally, the Commission ordered utilities to propose updated rates for large facilities, worked with national experts to conduct more research on the rate options available for small renewable facilities such as rooftop solar installations, and accepted public comment on these rate options. The Commission approved new parallel generation tariffs with new buyback rates for each of the IOUs in 2022.

**Modernizing Rules to Connect Renewables to the Energy Grid.** The Commission [initiated rulemaking](#) in 2020 to update the interconnection rules that were promulgated in 2004 as Wis. Admin. Code ch. PSC 119 (PSC 119). Distributed generation in Wisconsin and other states has undergone significant changes in the nearly 20 years since PSC 119 was promulgated, including significant growth in the number of distributed generation installations throughout the state, the emergence of new technologies that raise interconnection considerations, and the establishment of updated technical standards. During the biennium,

the Commission worked extensively with a diverse stakeholder group to propose updates to the existing rule while maintaining the established requirements for the interconnection rules established in Wis. Stat. § 196.496. The final draft rule updates were approved by the Commission in 2023 and forwarded to the Governor and Legislature for their consideration.

**Support More Transparent Utility Resource Planning Through the Strategic Energy Assessment (SEA).**

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. 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. 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. 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. An analysis of this data was reflected in the [SEA report](#) released to the public in 2022. The report also expanded upon previous reports to provide more information on a variety of current topics in the electric system, including the growth in generation from renewable sources, affordability programs and issues and utility efforts to reduce carbon emissions. The Commission will release its next SEA report in 2024.

**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.

**Advanced Nuclear Collaborative.** As part of Wisconsin's commitment to meeting the zero-carbon energy by 2050 goal, the Commission joined the National Association of Regulatory Utility Commissioners and National Association of State Energy Officers advanced nuclear state collaborative (ANSC) in spring 2023. The Collaborative was created with support from the U.S. Department of Energy. The ANSC

convenes members on a monthly basis to discuss issues related to advanced nuclear energy, enhance collective understanding of the unique regulatory and policy questions surrounding the consideration and deployment of new nuclear generation, and support peer learning across states.

## DIVISION OF WATER UTILITY REGULATION AND ANALYSIS

**Water Resources Planning.** Water utilities in Wisconsin have entered an era of 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 continued to be 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 health, resources, 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 98 conventional water rate cases, 1 combined water and sewer rate case, and 176 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. The Commission also completed internal rate case process manuals; updated its rate case application and supporting materials; and developed an annual project review process to create staff efficiencies during down periods.

**Water Utility Construction Cases.** The Commission issued 76 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. In addition, the Commission investigated 10 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. State statutes related to the Commission's construction authorization process were revised in November of 2021 to include specific timelines, and the Commission updated its process accordingly. 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 completed updates to its construction application and developed a construction review manual to assist in consistent project reviews.

**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's financial outreach program provided targeted services to financially troubled utilities. During the biennium, the Commission worked with 18 utilities as part of this program. All but two utilities 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 Deployment and Digital Equity.** The federal American Rescue Plan Act (ARPA) and BIL enabled historic allocations of resources to broadband and digital equity. Under ARPA, the Governor allocated \$100 million in State and Local Fiscal Recovery Funds and \$42 million in Capital Projects Funds to support broadband deployment projects. The Commission awarded [State and Local Fiscal Recovery Funds](#) in fiscal year 2022, and plans to deploy [Capital Projects Funds](#) in fiscal year 2024. The BIL allocated \$1,055,823,574 in funding under the Broadband Equity, Access and Deployment (BEAD) Program for infrastructure deployment in Wisconsin, which will be deployed beginning in the 2023-25 biennium.

**Better Broadband Maps.** In 2022, the Federal Communications Commission (FCC) released a vastly improved broadband coverage map which now displays broadband availability data on a location-by-location basis, allowing measurement of broadband deployment at the household level. The WBO coordinated a statewide Badger the FCC campaign to encourage Wisconsin residents to challenge inaccurate location information, which resulted in a number of updates that have further improved the



accuracy of the new national map. Throughout 2022 and 2023, WBO leveraged FCC data to improve its broadband mapping, data sharing, and grantmaking efforts. With measurement at the household level, WBO can now more accurately identify service gaps, empower planning of broadband deployment projects, and strategically allocate grant funding. Further, WBO has implemented its statewide survey, the [Wisconsin Internet Self Report \(WISER\)](#), to collect over 10,000 survey responses on user experiences, affordability, and reliability of internet in Wisconsin. To maximize use of FCC and WISER data, WBO has created the [Wisconsin Broadband Planning Map](#), which is a publicly available tool that displays broadband coverage data, survey results, grant funding, and other data for use by local governments, internet service providers, and other stakeholders.

**Community Engagement and Capacity Building** Throughout the biennium, WBO amplified local engagement and capacity building efforts to further its goals for broadband deployment and adoption. Using federal planning funds, WBO hosted over 100 outreach meetings, webinars, and engagement sessions, including the Internet for All Wisconsin Listening Tour. Further, it has partnered with the University of Wisconsin-Madison Division of Extension and Wisconsin Economic Development Corporation Office of Rural Prosperity to develop and deploy technical assistance to communities and stakeholders. This assistance has included \$1.5 million in [planning grant funds for counties and regions](#), and [\\$355,000 in planning funds](#) for organizations working on digital equity outreach, workshops, webinars, one-on-one assistance, and toolkits. Local partners are foundational to successful deployment and adoption of broadband, ensuring universal access and adoption, and WBO continues to support and coordinate with local partners in pursuit of affordable, reliable high-speed internet for all.

**Leverage Focus on Energy's contributions to our state.** Focus on Energy (Focus) provides great value for Wisconsin by growing the state's economy, creating new jobs, and contributing to the state's carbon reduction goals. Focus' 2021 and 2022 [evaluation reports](#) showed the program continued to be cost effective and garner high customer satisfaction. During those two years, Focus programs achieved 13,564,604 tons of avoided CO<sub>2</sub>. 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 benefit cost test, Focus achieved \$2.36 in benefits for every \$1 in costs in 2022; when economic benefits are added, the ratio increases to \$4.55:1. Across all Focus programs, customer satisfaction was measured at 9.5 on a 10-point scale in 2022.

**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 the Municipal Electric Utilities of Wisconsin (MEUW) on accounting and customer service practices. 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 Commission docket processes, which increases transparency and helps ensure customers' voices are heard. 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. Additionally, with the creation of the PSC Internet and Phone Helpline, Consumer Affairs staff were trained to assist customers who need help accessing essential telecommunications including the internet. Consumer Affairs staff assist customers who qualify for Lifeline, the Emergency Broadband Benefit, and subsequent Affordable Connectivity Program (ACP) discounts on telecommunications services by checking eligibility, helping complete applications, and tracking the status of submitted applications. Additional services provided to customers include helping them find internet service providers in their area, assisting with the completion of internet applications, and educating customers on Wisconsin broadband grants and other grants available to Wisconsin internet providers.

**Modernization of Wisconsin Energy Statistics.** The [Wisconsin Energy Statistics Book](#) has been published by the SEO since 1976, to provide a snapshot of energy use in Wisconsin and its economic and environmental impacts. The new Energy Statistics portal, released in 2023, provides the data in an online format to improve data accessibility and support more frequent and regular updates. Interested users can access comprehensive data on energy consumption, generation, prices, expenditures, and renewable energy development in Wisconsin through the Commission website [at this link](#).

## DIVISION OF BUSINESS OPERATIONS & OFFICE MANAGEMENT

**Grant Program Administrative Support.** Over the past two years, the Commission received a significant amount of both state and federal funding to administer grant programs. Developing procedures and systems to support both external entities and Commission staff responsible for grant administration process is crucial. Sound procedures and systems aid the Commission in providing exceptional technical assistance to grant applicants and recipients. It also ensures that the Commission's robust internal controls

continue to be effective as funding levels increase. The Commission continued to focus on implementing fiscal best practices and information technology (IT) systems to strengthen processes and internal controls related to grant program administrative support. Changes were made to the structure and staffing of the fiscal bureau to ensure that an increased focus could be placed on supporting grant program administration. The Commission also implemented an end-to-end grant management system that is used by external parties to apply for Commission grant funding. Grant recipients also use the system to submit reimbursement requests. It is subsequently used by Commission staff to track awarded grants and process grant reimbursement requests. The Commission will continue to work with the grant teams to refine and enhance internal controls and the grant management system to strengthen monitoring.

**Equity and Inclusion.** The Commission recognizes that recruiting and retaining a diverse workforce and fostering an inclusive work environment are foundational for achieving its mission and best serving the diverse population it serves. Over the last two years the Commission continued to be intentional in its efforts to make certain we are looking through a lens of equity and inclusion. The agency's IDEAS Council is a diverse group of volunteer employees from across the agency. The council met regularly over the past two years to develop initiatives and advise the Chairperson on efforts the agency can take to compliment the work that has already been done. The Commission also successfully participated in the State of Wisconsin Diversity Internship Program in both 2022 and 2023. Further, the Commission collaborated with DOA to monitor the agency's procurement activity as it relates to supplier diversity. The Commission continued to collect workforce diversity and supplier diversity metrics as part of utilities' annual reports. This important data assisted the agency in comparing its own efforts with the industry as a whole and identifying collaboration opportunities to increase diversity in employment and spending.

The Commission continued to work with supervisory staff 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 arranged for various speakers to engage staff on these critical topics. In addition, the Commission collaborated with other agencies and Region 1 Human Resources on trainings for staff in accordance with the agency's Equity and Inclusion (EI) Plan.

**Employee Training and Engagement.** In 2022 the Commission administered an employee engagement survey. The survey results were analyzed to identify trends and inform management decisions. The need and desire for employee training continued to be a theme in the survey results.

The Commission recognizes that training is critical in any sector of work, however, it sometimes is challenging to balance the need with the rigors of daily workload. In the last biennium, the Commission continued to strengthen its robust training plan for internal staff. This was done not only for new employees, but our veteran staff as well. Supervisory staff continued to receive a variety of training to ensure they have the tools to successfully manage and develop their staff. The Commission 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 also continued to find ways to increase employee engagement. In 2023 the Commission released an updated employee intranet page that is more user-friendly and intuitive. The updates allow employees to easily find Commission internal resources. Additionally, part of the update efforts included the addition of divisional pages. This allows leadership to communicate division happenings, goals and activities in a venue that is readily accessible. It also serves to further engage our workforce in a hybrid environment.

# 2023-2025 Goals and Objectives

## COMMISSION GOALS AND OBJECTIVES INCLUDED IN THE 2023-2025 EXECUTIVE BUDGET

**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 energy and natural gas generation. 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. Commission staff will continue to stay informed on new energy technologies and their impacts to conduct thorough and timely reviews of utility infrastructure projects as they come before the Commission. Lastly, the Commission will thoroughly investigate, resolve, and respond to consumer complaints from utility customers and provide timely information to consumers seeking assistance in accessing broadband internet.

**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. Commission staff will develop online modules that provide on-demand training for water utility staff and supplemental informational materials for utilities.

**Foster the expansion, adoption, and use of broadband technologies.** The mission of the WBO is to make high performance broadband more accessible, resilient, and affordable in Wisconsin. 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 and capacity for broadband deployment and adoption within state and local governments, private and nonprofit partners, and the general public. Key WBO programs will include the State Broadband Expansion Grant Program, Digital Equity Outreach and Capacity efforts, the Wisconsin Broadband Planning Map, and the Broadband Equity, Access, and Deployment Program.

**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 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 households in Wisconsin. Additional USF programs are designed to assist low-income customers to obtain affordable essential telecommunications service throughout the state. For people 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, municipalities, and nonprofits.
- [Grid Resilience Grants](#) - Projects that reduce the likelihood, consequences of, and impacts to the electric grid from extreme weather, wildfire, and natural disaster.
- [Energy Efficiency and Conservation Block Grants](#) – Supporting local governments in developing comprehensive energy plans.
- [Broadband Expansion, Infrastructure and Access Grants](#) and [Broadband Equity Access and Deployment Grants](#) - Broadband infrastructure expansion for unserved and underserved locations.
- [Digital Equity Capacity Grants](#) - Increasing adoption and digital inclusion through outreach and partnership with digital equity practitioners.
- [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 – Outreach through Independent Living Centers to support access for hard of hearing, deaf, and low vision Wisconsinites to the Telecommunications Equipment Purchase Program.
- [Lifeline Outreach Grant](#) – To assist low-income customers to obtain affordable access to essential telecommunications through the Lifeline program.

# 2023-2025 Goals and Objectives

## GOALS AND OBJECTIVES BY DIVISION

### DIVISION OF ENERGY REGULATION AND ANALYSIS

**Continue Exploring Performance-Based Regulation.** A priority identified in the Roadmap to Zero Carbon investigation is to pursue the establishment of performance-based regulation, which can encourage better utility outcomes by establishing financial performance in achieving policy goals. Significant work with stakeholders on the roadmap took place during the 2021-2023 biennium, and the investigation is continuing into the 2023-2025 biennium. As part of its next steps in the investigation, the Commission is researching performance-based regulation concepts and models used by Commissions in other states and considering possible metrics related to affordability, energy-efficiency, and demand-response. The Commission may consider proposals and policies in these areas in the upcoming biennium.

**Review Resource Adequacy Standards and Requirements.** One role of the Commission is to ensure an adequate supply of electricity. The Commission last updated the electric utilities' planning reserve margin in 2008. The [resource adequacy investigation](#) will review current and ongoing resource adequacy initiatives, including a review of newer metrics and requirements by MISO and other states, regional transmission organizations/independent system operators, and other related entities; the impacts of the existing state level planning guideline and whether that guideline remains appropriate; and options to create flexibility for updating resource adequacy requirements in Wisconsin in response to changing industry standards and MISO proposals.

**Open rulemaking on gas metering.** In 2023, the Commission directed staff to open a limited scope rulemaking of Wis. Admin. Code ch. PSC 134 related to gas meter testing. The proposed rulemaking results from the Commission's desire to update code language to reflect current technology for gas meter testing and be able to evaluate gas utilities' proposals while not creating additional waivers of Wis. Admin. Code ch. PSC 134. A limited scope rulemaking during the 2023-2025 biennium may further allow for consistent requirements for gas metering statewide, address the testing requirements and clarify requirements for ultrasonic meters for all natural gas utilities, and give industry stakeholders the opportunity to participate in the development of proposed natural gas meter testing changes.



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## DIVISION OF WATER UTILITY REGULATION AND ANALYSIS

**Engagement and Education.** The emergence of PFAS throughout the State of Wisconsin and the continued infrastructure crisis within the water industry highlights 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. The Commission will also work on the development of enhanced educational materials for utility staff and consultants.

**Collaborating on Safe Drinking Water.** The Commission will continue to work with other agencies and water utilities to optimize use of existing funding sources 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 on PFAS and other emerging contaminants. The Commission will continue to participate in and support the 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 throughout the biennium. This effort will include enhancing utility staff's understanding of the rate case process as well as Commission and utility staff's roles and responsibilities; updating to the rate case tool; and transitioning to an online rate case application. Commission staff will continue to work with utilities struggling to meet their financial needs.

**Water Construction Cases.** The water construction team will finalize its construction manual and update its construction application to improve efficiency and effectiveness. The team will also continue to meet its regulatory timing requirements and evaluate the impact of increasing PFAS-related applications.

**Data Analysis.** The Commission will continue to work to develop an updated system of databases and applications, including a transition to the interactive data visualization software, Power BI. 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 for 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, 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.

**Collaboration Across Divisions.** The water rates and audit team will meet quarterly with staff from DERA and DACEA to collaborate on process improvement ideas and complex cost of service, rate design, tariff, and audit issues. The water construction team will meet with the DERA construction team and DACEA environmental team at least annually to collaborate on process improvement ideas and mutually relevant construction issues such as alternative analysis, conservation, and efficiency.

## DIVISION OF DIGITAL ACCESS, CONSUMER AND ENVIRONMENTAL AFFAIRS

**Deploy Broadband Expansion Funds.** The WBO will leverage historic federal funding allocations to implement planning, partnership, and deployment efforts to ensure high-speed internet for all Wisconsinites, and meaningful participation in digital society. The Commission will develop and implement federal funding programs in a sequenced and integrated manner to maximize their impact and ensure alignment with federal guidance. Additionally, the Commission will monitor and report on project activity to ensure accountable use of funding, compliance with law, and successful subaward processes.

**Plan and Execute Focus on Energy Quadrennium IV.** Since January 2023, the Focus on Energy Program Administrator has been working closely with Commission staff on the 13 Commission directives stemming from the [Quadrennial IV Planning Process](#). The directives are intended to help Focus on Energy continue its successful performance while adapting to new technologies and continuing to support a broad distribution of benefits. Specific efforts including reviewing Focus on Energy's approaches supporting utility demand response programs; researching options to better align Focus programming with efforts to reduce peak demand and reduce energy usage during high-cost periods of the day; and establishing new initiatives to reduce barriers to program participation for historically underserved customers, including those in rural and low-income communities.

**Plan and Execute Inflation Reduction Act – Home Energy Programs.** The Commission [determined](#) in April 2023 that the Inflation Reduction Act (IRA) Home Efficiency and Electrification Rebates will be implemented using the Focus on Energy program infrastructure, while operating the programs separately

from the Focus on Energy portfolio. Program planning outreach started in late 2023, to inform a program plan that will be presented to the Commission in early 2024. Programs are expected to be available to customers by late 2024.

**Low Income Solar Development.** The SEO team continues to work as part of the project team involved in the deployment of two community solar systems for low to moderate income households through the new Wisconsin Inclusive Solar Community Offering (WISCO). SEO is working closely with the project partners in Vernon and Pierce Counties and the systems are expected to be commissioned in late 2023. Results from these projects can help inform the design and development of future solar offerings for low to moderate income households.

**Focus on Energy – Weatherization Agency Solar & Heat Pump Pilot Program.** Focus on Energy and Commission staff, in collaboration with DOA’s Division of Energy, Housing and Community Resources, have developed a new pilot program to help customers with high energy burden reduce their energy bills through installation of solar panels and heat pumps. The pilot is currently open for weatherization agencies to apply for funds to complete projects in multifamily buildings.

## DIVISION OF BUSINESS OPERATIONS & OFFICE MANAGEMENT

**Equity and Inclusion.** As noted above, the Commission recognizes that recruiting and retaining a diverse workforce and fostering an inclusive work environment are foundational for achieving its mission and best serving the diverse population it serves. In accordance with its core values, the Commission will continue to support diversity in the workplace, allowing employees to fully develop and contribute their individual skills in meeting the needs of the agency’s diverse customer base. The Commission will be creative in finding ways to consider and balance diverse perspectives and endeavors to protect the public interest, environment, and public health and welfare. The Commission will continue to recognize the need to look through the lens of equity and inclusion in the workplace. Part of its efforts will include updating the Commission’s EI Plan. This will be done in collaboration with Region 1 Human Resources and DOA.

**Information Technology Initiatives.** The Commission continues to recognize the need to provide both external and internal customers with the IT resources necessary to perform tasks in an efficient and effective manner. Over the next two years the Commission will continue to focus on executing and refining its three-year IT strategic plan. This will involve active engagement and participation by leadership across the Commission to ensure that there is a shared understanding of priorities and timelines. One of the key

projects that is included in the strategic plan is the continued enhancement of the grants management system.

Another key part of IT initiatives centers on cybersecurity. Cybersecurity incidents regularly, and significantly, impact the business world and illustrate the vulnerabilities that all organizations, including the Commission, face. In the current and ever-changing cybersecurity environment we must always consider Commission data, including utility and critical infrastructure data, as well as personally identifiable information, to be at risk. It is crucial that we take proactive steps to address cybersecurity risks and implement appropriate processes to detect and contain any potential cybersecurity incident. In September 2022 the Commission formalized IT security policies and controls, as requested by DOA. In the upcoming biennium the Commission will continue to work to implement and enhance internal controls that are responsive to the policies.

The Commission is in the process of recruiting a business analyst. This position will play a key role in bringing the cybersecurity perspective to requirements management for existing business processes, software development, and project management. Business analysts are uniquely qualified to use critical judgement and systems thinking, based on strong analysis, and understanding of the underlying business problem, to apply the appropriate cybersecurity risk management practices.

**Employee Training and Engagement.** The Commission will work across functional areas to further refine its robust training program. Part of these efforts will focus on improving the new employee checklists to ensure a successful onboarding experience. In addition, the Commission will continue to build on the success of lunch-and-learns that provide in-depth information on the inner workings of the agency and its regulatory functions. These events help new and existing employees understand how they fit into the greater organization. The Commission will also work to find new ways to fully utilize the state's training platform, Cornerstone.

The Commission plans to administer an Employee Engagement survey in 2024. Given the commitment to conduct the survey on an annual basis, the Commission will be able to better analyze response data to understand where resources need to be directed.

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

The Commission has long been an advocate of flexible-time schedules and alternative work patterns for high-performing staff. As Commission staff transitioned back to the workplace, the need to continue to provide remote work opportunities became apparent. The Commission worked diligently to obtain feedback from employees on remote work and in-office preferences. The Commission continues to maintain and monitor telework agreements and other remote work policies.

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.