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December 9, 2024

Public Service Commission of Wisconsin
4822 Madison Yards Way
P.O. Box 7854
Madison, WI 53707-7854

RE: Midwest Energy Efficiency Alliance (MEEA) Response to Wisconsin Public Service Commission Staff Memo on Calculating Avoided Electric Transmission and Distribution (T&D) Costs (Docket 5-FE-104)

Thank you for the opportunity to submit comments concerning Focus on Energy's role in promoting beneficial electrification and how that modified role can potentially impact savings goals. The Midwest Energy Efficiency Alliance (MEEA) is a collaborative network, promoting energy efficiency to optimize energy generation, reduce consumption, create jobs and decrease carbon emissions in all Midwest communities. Ultimately, MEEA seeks an achievable pathway for all people and communities in the Midwest to receive the economic, environmental and societal benefits of energy efficiency and the larger clean energy economy.

We see energy efficiency as the least cost foundation of the clean energy economy, creating immediate energy savings, providing career pathways, reducing emissions, improving new and existing buildings and boosting Midwest businesses and industries. MEEA serves as a technical resource, promoting program and policy best practices and highlighting emerging technologies, all to maximize energy savings, reduce costs, improve resiliency and lower energy burden. As a nonpartisan nonprofit organization, we are recognized in the policymaking process and are frequently relied upon as an expert resource, weighing in on proposed policies and helping explain the benefits of embracing energy efficiency.

MEEA has a long history of engaging in WI PSC dockets and planning processes, and we have commented on several staff memos on the Quadrennial Plan Process IV over the last two years. Importantly, MEEA previously provided comments in support of the investigation into updating avoided T&D costs that is being considered here. Because of this, MEEA welcomes the opportunity to add our perspective to the discussion of the results of that study. As always, we look forward to supporting and promoting efforts to enhance and expand energy efficiency in Wisconsin.

In summary, these comments support the Commission and Staff's efforts to consider how to update avoided transmission and distribution costs for Focus on Energy. With that in mind, MEEA supports the following alternatives presented by PSC Staff:

- **Alternative One:** *Approve the EWG's recommended methodology.*



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Discussion of Supported Alternative

Approve the EWG's recommended methodology

MEEA previously submitted comments in this docket ([PSC REF#: 444175](#)) that included expressing support for the option – which was ultimately chosen and ordered – that the Focus Evaluation Work Group (EWG) continue to explore methodology for estimating avoided T&D costs that did not rely on non-public data. We are glad to see that process come to fruition with this recommended methodology for estimating the avoided transmission costs. The proposed methodology is closely aligned with the stated priorities of the EWG and MEEA supports its adoption.

While the proposal does not get all the way to an avoided cost of transmission *and* distribution, having a public data-driven methodology for avoided transmission costs is an important step. As demonstrated in Table 2, this provides costs that align with the Quadrennial Plan III costs in early years and escalate in future years. This will help alleviate the concerns over undervaluing avoided T&D that led to this research.

What remains unclear in this proposal, and should be stated clearly in a future order, is whether the updated methodology will consider avoided distribution costs as zero until such time as a public data-driven methodology can be developed or whether there is a non-public data methodology that could be used to estimate avoided distribution costs while the EWG continues to investigate publicly available data to support a standalone methodology that aligns with the EWG criteria. The higher costs after 2024, and escalating future costs shown in Table 2, alleviates some concerns as the “Avoided T” values being used would be still higher than the “Avoided T&D” used in Quadrennial Plan III. From that, it is probable that leaving the “Avoided D” at zero would have limited impacts on portfolio level cost-effectiveness.

Conclusion

MEEA thanks the Commission for another opportunity to comment on the important matters facing Wisconsin in the Quadrennial Plan IV process. Updating cost-effectiveness methodologies to better reflect real world costs using public data is an important step in increasing transparency and accountability. We appreciate the Commission, Staff, and the Evaluation Working Group's thorough and thoughtful approach to these questions. It is imperative that Wisconsinites access the benefits that come from energy efficiency and renewable energy programs as we continue to move forward in the clean energy transition.

MEEA looks forward to continuing to aid Staff and the Commission in efforts to expand and modernize Focus on Energy in Quadrennial Plan IV. If you have questions on these comments or want additional information, please contact Maddie Wazowicz, MEEA Director of Policy, at mwazowicz@mwalliance.org. Thank you for your consideration.

Sincerely,

Paige Knutsen
Executive Director