

## Jefferson Solar is a First for Wisconsin

**One megawatt: generally speaking, it's enough electricity to power one large industrial facility or 150 average Wisconsin homes. But to the member of Jefferson, a city of less than 8,000 in southeastern Wisconsin, 1 MW of solar energy generated represents a source of locally produced renewable energy and economic opportunity.**

Chicago-based Half Moon Ventures developed and owns the seven-acre, 3,600-panel solar field in the city's business park. The company is leasing the land, generating revenue for the city.

According to Half Moon Ventures, Jefferson Solar is one of Wisconsin's first stand-alone, utility-scale solar energy projects. "Utility-scale" refers to the fact that the facility feeds solar power into the grid, which WPPI Energy is purchasing.

At its Energy Policy Summit in January, RENEW Wisconsin recognized Jefferson Solar as one of the six largest non-utility-

owned renewable generation projects built in Wisconsin in 2013. The renewable energy projects create jobs, reduce fossil fuels imported into the state and demonstrate responsible environmental stewardship, the organization said.

According to the Energy Information Agency, utility-scale solar power generation capacity is expected to increase 40% between the end of 2013 and 2015 nationally.

"Our membership has a long-standing commitment to supporting business development in the communities we serve and to using renewable energy. This project reflects those commitments, as well as fulfills our obligation to add solar generation that was part of the approval process in building the Elm Road Generating Station in Oak Creek, Wisconsin – the state's newest and cleanest coal-fired plant," said WPPI Energy President and CEO Mike Peters. WPPI met the Wisconsin renewable portfolio standard of 10% by 2015 six years ahead of schedule and now supplies 14% of its power from renewables.

WPPI Energy will purchase the output from the new Jefferson Solar development.



# A Unified Message on EPA Regulations

Serving as an advocate on policy matters is a responsibility that WPPI Energy takes very seriously. Over the next two or more years, a key priority for the WPPI Energy membership will be to remain actively engaged in the regulatory process as the Environmental Protection Agency drafts and implements new rules regarding greenhouse gas (GHG) emissions.

To recap, EPA announced its proposed rule to regulate carbon emissions from new power plants last September and is expected to announce a rule for existing power plants by this June. A final rule is due by June 2015 and state implementation plans are to be filed by June 2016, but anticipated legal challenges could cause delays.

Our strong history of involvement in both state and federal policymaking will serve us well. As a member of the American Public Power Association's CEO Climate Change and Generation Policy Task Force, I had the opportunity to participate in a discussion in November with EPA Administrator Gina McCarthy.

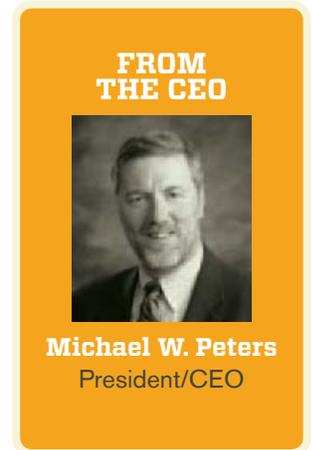
In December, WPPI Energy took the important step of responding to the EPA's request for comments from stakeholders. In our letter to the agency, we offered several principles for consideration in drafting the upcoming rules, including:

- **Credit for early action.** We explained that because WPPI Energy took proactive steps to reduce emissions – by more than 30% since 2005 – we should receive credit for the efforts we've already made.

- **Recognition of regional and state differences.** New performance standards must recognize the significant differences in the generation mix and the potential for emissions reductions. States must be granted flexibility to design plans that recognize their unique resources and current generation mix as they implement the federal rules.

- **System-wide compliance basis.** Since our ability to reduce GHG emissions through onsite actions at individual power plants is extremely limited, we ask that the EPA consider an approach that recognizes emission reductions system-wide. This approach takes into account the ways we're already reducing emissions through actions such as energy-efficiency programs and using renewable resources.

We'll continue to emphasize these key points in meetings with state and federal regulators and policy makers. With the support and involvement of leaders within our member communities, we'll communicate a unified message on the importance of fair regulation that does not adversely impact locally owned utilities and their customers.



## WPPI ENERGY NEWS IN BRIEF

### Regional Power Dinners Planned

Every other year, WPPI Energy hosts regional dinner meetings throughout April, May and June to discuss timely industry and system-wide issues with elected officials and leaders in member communities. This year, dinners are planned for seven locations:

- **April 16** in Dubuque;
- **May 1** in Mount Horeb;
- **May 8** in Mazomanie;
- **June 11** in Okauchee Lake;
- **June 12** in Iron River;
- **June 19** in River Falls;
- **June 26** in Green Bay;

For more information, contact Lauri Isaacson at [lisaacson@wppienergy.org](mailto:lisaacson@wppienergy.org).

### Live Shows Teach Kids About Energy

Each year, WPPI Energy and participating member utilities sponsor live performances by The National Theatre for Children to teach children about the importance of wise energy use.

Students cheer on the good guys as professional actors from NTC, a national touring company, perform "The Energized Guyz," a 25-minute interactive show. Teachers receive access to apps that provide additional activities to use in the classroom.

In all, 47 members are offering performances to 127 schools, reaching approximately 25,000 students throughout Wisconsin and Upper Michigan in 2014.

## WPPIenergy POWER REPORT

WPPI Energy is a regional, not-for-profit power company serving 51 locally owned electric utilities. Through WPPI Energy, these public power utilities share resources and own generation facilities to provide reliable, affordable electricity to 200,000 homes and businesses in Wisconsin, Upper Michigan and Iowa.

To make mailing list changes or to subscribe via email, send a message to [powerreport@wppienergy.org](mailto:powerreport@wppienergy.org).

# Member Spotlight: Waunakee, Wisconsin

New customers and new construction projects made last year one of the busiest years in Waunakee Utilities' 99-year history, and 2014 is expected to bring just as much activity.

It's part of ongoing growth for the village, which has experienced a 97% increase in population since 1990. Known for its strong school system and close proximity to both the east and west sides of Madison, Waunakee now has nearly 13,000 residents.

Last spring the utility finalized a territory agreement with an investor-owned utility, which allows Waunakee Utilities to exclusively serve an area recently annexed into the village that the other utility formerly served.

As part of the agreement, utility staff went door to door to get permission from more than 50 customers of the other utility to switch electric providers. In nearly every case, Waunakee Utilities



The Waunakee Village Center is located on a redeveloped site that once was home to a canning factory.

was able to offer a lower monthly bill, and 100 percent granted their consent, said General Manager Tim Herlitzka.

The utility also gained Endres Manufacturing, a steel fabrication company, as a new commercial customer.

"The agreement opened up our ability to serve immediate areas around the village without any costly territory disputes," Herlitzka said. "Our philosophy is that anybody within the geographic boundary of the village should be a Waunakee Utilities customer. That may not have been the case if we did not execute this agreement."

## Construction Projects

At the same time, several new building projects throughout the village have given Electric Superintendent Dave Dresen's crew plenty to do.

"We've been busy with the new developments. We've put in infrastructure to about 140 residential lots in 2013," Dresen said.

In 2014, the electrical crew will continue installing infrastructure in one of the village's recently annexed areas south of the village off Highway Q. The area

adds another 300 residential lots, plus planned commercial areas. A new clinic and dental office already have opened their doors.

But the growth isn't limited to the outskirts of the village. A new multi-story, 78-unit apartment building complex with underground parking and 3,700 square feet of commercial space will be built by this summer on the corner of Main and Madison Streets.

Main Street will get an added boost with a new roundabout on one of the village's major intersections, Highway 19/ Highway 113 and County Highway Q. In addition to relieving congestion, the state Department of Transportation project will add new street lighting.

Last year the utility also replaced one of its older substations, which will help with the additional load and allow for maintenance on the three other substations.

"A lot of the credit in getting all the work done lies directly with Dave and his staff. They really worked a lot of extra hours to get all the work done," Herlitzka said. When fully staffed, the electric utility has



## WAUNAKEE FAST FACTS

**County:** Dane

**Number of customers:**  
5,426 electric, water and sewer

**Member website:**

[www.waunakeeutilities.com](http://www.waunakeeutilities.com)

### Did you know?

- Waunakee's electric utility was formed in 1915.
- The community's WaunaFest brings crowds for food, music, sports, family activities and a parade each July.
- WPPI Energy member since 1981.

*Continued on page 4...*

a staff of eight. Waunakee Utilities has 16 employees total and is governed by a seven-member utility commission.

### Industry Involvement

Members of the utility staff also make time for industry involvement. Herlitzka came to the utility in May 2005, bringing 12 years of experience working directly with municipal utilities at a large accounting and consulting firm. He has served on WPPI Energy's Executive Committee since 2012 and is the current treasurer, as well as the chair of the Finance and Audit Committee. He is also a member of the Rates & Delivery Service Advisory Group.

Dresen, who started with the utility 28 years ago as a lineman, has served on the Distribution Services Advisory Group for 13 years and is the current vice chair. The group recently led efforts to launch a new RFQ module for joint purchasing.

Water & Sewer Department Manager Randy Dorn serves on the Information Technology Advisory Group.

"Our power supply is a big component of our overall operations, so it's important to us to be a part of the decision-making process at WPPI," Herlitzka said. "I also believe that WPPI is only as good as its members are, which means we have a responsibility to participate."



Pictured are Waunakee Utilities' 16 electric and water utilities employees.

### Community Contributions

In addition to being the village's largest taxpayer, contributing more than \$770,000 a year in payments in lieu of taxes, the public power utility finds many ways to put customers first.

Each year the utility sponsors its Warm Neighbors campaign, which offers customers a strand of LED Christmas lights for each warm clothing item or financial donation they make to the low-income energy assistance program. In 2013 customers gave more than \$1,200 in cash in addition to the many jackets, pairs of boots and other clothing items they donated.

Waunakee Utilities offers rebates for tree planting in the spring, plus various

rebates and incentives available through Focus on Energy. Many residents took advantage of free energy-efficiency light bulbs and more through Focus' Express Energy Efficiency program.

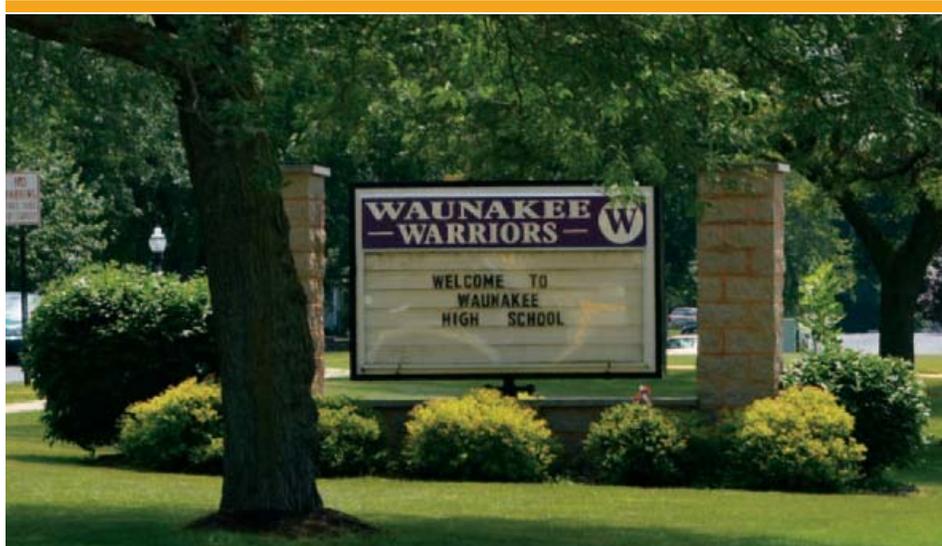
Education is another emphasis for Waunakee Utilities.

Within the past few years, Waunakee High School upgraded its solar panel system with financial support from the utility, and the intermediate school installed a small unit for educational purposes. The utility has worked with the district on energy use benchmarking; assists district staff with energy efficiency measures; offers scholarships to high school seniors; and sponsors National Theatre for Children performances, sports teams and more.

An Energy and Wellness Fair, held in partnership with the Lions Club, provides a chance for utility staff to interact with customers. Energy Services Representative Joseph Owen is there with activities like the Pedal Power bike.

Even with its growth, Waunakee is still small enough that utility workers have a visible role in the community, Dresen said.

"I think that what really sets us apart from other energy providers is how we interact with our customers on a daily basis," Herlitzka said. "It's not our utility. It's our customers' utility, and we try to manage it in a way that is in their best interests."



Waunakee's schools have achieved high rankings, which has contributed to the village's significant growth over the past two decades.

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# MEMBER NEWS

## New ESRs in Member Communities

**Jenny Brinker** is the new energy services representative for Kaukauna Utilities.



Jenny Brinker

**Jeff Forbes**, who was Kaukauna's ESR since July 2010, now has the same role in Eagle River, Florence, Norway and Crystal Falls. Bob Collins served those communities before his retirement on Dec. 31. WPPI Energy recognized Collins for his 14-plus years of service as an ESR.



Jeff Forbes

## School Will Save \$35K Per Year

Energy-saving technologies at the new Independence Junior-Senior High School in Iowa will result in an estimated annual cost savings of \$35,000.

**Independence Light and Power, Telecommunications** and WPPI Energy provided expertise through the New Construction Design Assistance program and financial incentives totaling \$47,624. The building's many sustainable features include improved ceiling and wall insulation to maintain indoor temperature and comfort; high-performance lighting and reduced lighting power density; automatic daylighting controls; demand control ventilation with CO<sub>2</sub> sensors in the auditorium, gym and commons; and a heat recovery chiller.

WPPI Energy members completed six New Construction Design Assistance projects in 2013.

## Mayor Named to Council

**Evansville Mayor Sandy Decker** has been named to a three-year term on the American Public Power Association's Policy Makers Council by APPA's Board of Directors.

The Policy Makers Council assists APPA in promoting federal legislation important to public power systems. The 40 members of the council meet a minimum of twice a year and participate in meetings with elected representatives and congressional staff to support APPA's national legislative agenda.

**Lodi Mayor Paul Fisk** is the current chair of the national council, and **Jim Coutts**, Cedarburg utility commissioner, is a member.

## MI Members Meet Efficiency Goals

The six Michigan municipal utilities in WPPI Energy's membership met or exceeded their 2013 goals for energy efficiency and renewable energy under Michigan's Clean, Renewable and Efficient Energy Act (PA295). Together, Baraga, Crystal Falls, Gladstone, L'Anse, Negaunee and Norway achieved a collective energy savings of 2,416,688 kilowatt-hours among all customer classes, which is 84% above their combined goal of 1,312,883 kWh.

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# STATE UPDATES

## IOWA

### IAMU Names New Executive Director

Troy DeJoode is the new executive director of the Iowa Association of Municipal Utilities following the retirement of Bob Haug.

DeJoode began his municipal utility experience with a college summer job at Cedar Falls Utilities (CFU). Since 2006 he has worked as corporate counsel and vice president of human resources for two Des Moines-based logistics companies.



Troy DeJoode

tion for the reports on energy efficiency, renewable energy, electric choice and additional areas.

"The challenges of investing for reliability in a deregulated market will become more apparent – as in Texas, New Jersey, and Maryland – as we try to invest in new generation in the future given retirements of aging coal plants, a transition toward new and cleaner generation plants, and the return of load growth," MMEA wrote in its comments on the electric choice report.

## WISCONSIN

### Members Meet With State Legislators

Sixteen municipal utility officials, mayors, utility commissioners, city and village leaders from nine member communities met with elected officials at the state Capitol on Feb. 18 at the Municipal Utilities Legislative Day.

Attendees spent the afternoon meeting with legislators from their districts. Municipal Electric Utilities of Wisconsin, the Wisconsin Rural Water Association, the Municipal Environmental Group (MEG)-Water Division, and MEG-Wastewater Division sponsor the event.

## MICHIGAN

### MMEA Reviews Energy Reports

Michigan Municipal Electric Association (MMEA) was one of several organizations that provided feedback on Michigan's four draft reports on energy-related issues.

Gov. Rick Snyder's administration, the Michigan Public Service Commission and the Michigan Energy Office gathered informa-

# Reducing Energy Waste Starts in Cities

## Municipalities Set Goals, Earn Incentives

In Stoughton, Wis., new T8 lighting fixtures at the city hall, public safety building and senior center are saving the city \$9,000 a year in energy costs. In Norway, Mich., LED street lighting has reduced the municipality's operating expenses by more than \$15,000 a year. And in Whitehall, Wis., upgraded blower and aeration units at the city's wastewater treatment plant will lower energy costs by \$165,000 annually.

Cities, towns and villages throughout the WPPI Energy membership are making the investment in energy efficiency improvements through the Utility and Municipal Buildings (UMB) program. This shared resource is designed to help member communities lead by example by reducing energy waste.

To be eligible for financial incentives, local officials review their community's energy usage and set performance goals with a formal resolution or proclamation. Communities typically set a measurable goal such as reducing energy use in municipal facilities by 10% within a specified time period.

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With this commitment in place, local governments can receive WPPI Energy incentives to match those available from local or state programs, such as Focus on Energy in Wisconsin and Efficiency



New LED streetlights have reduced Norway, Michigan's energy expenses by more than \$15,000 per year.

United and Energy Optimization in Michigan.

Columbus, Wis., committed to reducing its non-renewable municipal energy use by 25% by 2025 and applied to become a Wisconsin Energy Independent Community.

Since the city began benchmarking its energy usage in 2008, Columbus has reduced municipal electrical usage by 15.4%. The city has converted its street lights to energy-saving LEDs and completed lighting upgrades at the Library, City Hall, Columbus Department of Public Works service center, Columbus Safety Building and municipal parking lots. The city received financial assistance from the utility and WPPI Energy – including funds from the UMB program – plus incentives from Focus on Energy.

Columbus recently received an additional \$31,000 in incentives from WPPI Energy's UMB program and Focus on Energy to install a new aeration system at the city's wastewater treatment plant. The \$400,000 project will yield a savings of \$26,000 a year in electricity costs.

To date, the UMB program has delivered incentives to 93 projects, resulting in total annual energy savings of more than 8 million kilowatt-hours (kWh), or about \$650,000 in avoided energy costs. The

energy savings are the equivalent to the average annual energy used by 950 homes. Nineteen of those projects have been upgrades to water and wastewater treatment facilities, which are often the most energy-intensive functions in a municipality. Communities also can apply for a zero-interest loan for energy efficiency projects available through WPPI Energy to cover upfront project costs.

But projects need not be big in scope to qualify, points out Program Coordinator Eric Kostecki. The public library in New Holstein, Wis., qualified for UMB program funds when an electric heat exchanger broke down and the heating system was converted to gas, which saved the city 68,200 kWh of electricity a year at a cost savings of \$920.

In 2013 alone, the UMB program paid incentives totaling \$88,938, achieving a demand reduction of 418 kilowatts and expected annual energy savings of nearly 3.5 million kWh.

“At the local level, in addition to lowering their energy bills, cities and villages are freeing up capacity for other businesses to expand or build in the community without additional investment in infrastructure,” Kostecki said. “On a broader level, the demand reduction helps to keep costs down across the entire WPPI system.”

# Utilities Take on Role in Economic Development

Upfront costs can keep small- and mid-sized businesses from making energy efficiency improvements that often have an immediate impact on the bottom line.

The locally owned utilities that make up the WPPI Energy membership take an active role in helping their communities retain and expand existing business. Providing technical assistance and access to financing for projects that reduce energy waste are just two of the ways they contribute to local economic development efforts.

**Lighting, motors and pumps, variable speed drives, control systems, and energy recovery ventilation are among the upgrades businesses often choose to make.**

The first step is often a meeting with the utility's energy services representative, who will conduct an assessment to analyze energy usage and identify potential energy savings. Lighting, motors and pumps, variable speed drives, control systems, and energy recovery ventilation are among the upgrades businesses often choose to make.

In addition to technical assistance, ESRs can help utility customers find financing opportunities, including incentives available through the utility and WPPI Energy and through state-administered energy efficiency programs such as Efficiency United or Energy Optimization in Michigan or Focus on Energy in Wisconsin.

Many utilities also offer a Shared Savings program, which assists eligible customers with funding ranging from \$2,500 to \$50,000 toward purchasing and installing energy-efficient equipment. Funding is based on the extent the project will reduce energy usage and is repaid through the customer's utility bill. Often, the monthly energy cost savings is greater than the monthly installment, resulting in positive cash flow for the business.

By using Shared Savings, a gas station received \$21,983 in funding for an interior and exterior lighting retrofit, which will save \$4,668 per year. A grocery store upgraded its refrigeration equipment with \$50,000 in funding, which will result in \$15,879 in energy savings annually, and a cabinet shop received \$8,364 for an interior and exterior lighting retrofit that will save \$4,721 a year.

## Datebook: Spring

**WPPI Energy and its 51 members in Wisconsin, Upper Michigan and Iowa sponsor and provide support for energy education conferences and technical workshops benefiting commercial and industrial utility customers.**

### WPPI Energy/Energy Center of Wisconsin Webinars

The Energy Center of Wisconsin | [www.ecw.org/wppienergycatalog](http://www.ecw.org/wppienergycatalog)

A new bundle of webinars will be available on demand each quarter, made possible by WPPI Energy's sponsorship of the Energy Center. Those who would like to receive continuing education credits can go to [www.ecw.org/university/ecuonline-forcredit.php](http://www.ecw.org/university/ecuonline-forcredit.php).

### Free On-Demand Webinars

The Energy Center of Wisconsin | [www.ecw.org/university](http://www.ecw.org/university)

These and other webinars are available at any time:

- DOE commercial lighting solutions: overview
- DOE commercial lighting solutions: technical demonstration
- Dynamic ventilation reset strategies
- Energy management best practices
- Exploring LED lighting technology for facilities

### Building Operator Certification

Des Moines Area Community College  
[www.boccentral.org/training-iowa](http://www.boccentral.org/training-iowa)  
*Classes begin March 7*

### Practical Energy Management for Schools and Government

Focus on Energy | [www.focusonenergy.com/training](http://www.focusonenergy.com/training)  
*March 20, Clarion Hotel, Eau Claire*

### Sustainability Summit & Exposition 2014

[www.sustainabilitysummit.us/Home.aspx](http://www.sustainabilitysummit.us/Home.aspx)  
*March 26-27, Wisconsin Center, Milwaukee*

### Green Tier and Green Masters Training Workshop

Wisconsin Sustainable Business Council/WDNR/WMEP | Registration: [www.brownpapertickets.com/event/538277](http://www.brownpapertickets.com/event/538277)  
*March 28, UW-Milwaukee Training Center, Milwaukee*

### Third Annual Efficiency United C&I Conference

Efficiency United | [www.efficiencyunited.com](http://www.efficiencyunited.com)  
*April 2, Island Resort & Casino, Harris, Michigan*

### Building Operator Certification

Focus on Energy | [www.focusonenergy.com](http://www.focusonenergy.com)  
*April 21-22, May 5, 19; June 2, 16, 30; July 14; Northeast Wisconsin Technical College, Green Bay*

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## Stronger Together: Rates and Billing Services

Rate cases, rate design, revenue planning, and large customer billing aren't tasks that employees at locally owned utilities take on every day.

But they are tasks that WPPI Energy rates and billing staff manage on behalf of members each day.

On an annual basis, the team completes 10 to 20 rate cases for member utilities at no extra charge. This service provides consistency and a considerable cost savings for utilities that otherwise may have hired a consulting firm for guidance through the formal regulatory process of setting the prices that they will charge customers.

**Tim Ament**, director of rates, and **Tammy Freeman**, manager of billing and rate services, along with rate analysts **Mallory Kleven** and **Nicole Guld**, work with members to determine revenue

requirements and cost of service, obtain required rate approval and assist with implementing new rates. Their ability to analyze the rates of other energy providers and develop competitive rates, knowledge of rate case procedures, and frequent communication with regulators helps the process go smoothly for members.

Other services available to member utilities include bill comparisons/ad hoc analysis, rate implications of new infrastructure or significant customer changes, designing rates for special utility programs and commercial & industrial customer billing for customers whose demand is above 200 kilowatts or whose load is 2% or more of the utility's revenue. Billing analyst **Valerie Gauthier** ensures members receive accurate wholesale bills and provides detailed energy-use data to their large customers.



Pictured, back from left, are: Valerie Gauthier (13 years at WPPI Energy), Tim Ament (13 years), Tammy Freeman (13 years); front from left, Nicole Guld (5 years), Mallory Kleven (7 years) and Tim Noeldner (11 years).

**Tim Noeldner**, vice president, rates and special projects, oversees the department and helps member utilities address unique rate-related orders from the state public service commissions, such as recent orders in the Kaukauna and Menasha rate cases to study innovative rates for paper industry customers.