



State of Wisconsin
2021 - 2022 LEGISLATURE

LRB-5061/1
EHS:emw

2021 ASSEMBLY BILL 731

December 2, 2021 - Introduced by Representatives CABRAL-GUEVARA, KNODL, MURSAU and PENTERMAN, cosponsored by Senators COWLES, STROEBEL and ROYS. Referred to Committee on Energy and Utilities.

AUTHORS SUBJECT TO CHANGE

- 1 **AN ACT to create** 196.01 (5) (b) 8. and 196.496 (3) of the statutes; **relating to:**
2 exemption from public utility regulation regarding renewable electricity.

Analysis by the Legislative Reference Bureau

This bill creates an exemption from the definition of public utility. If a person qualifies for an exemption, the Public Service Commission may not regulate the person as a public utility.

The bill creates an exemption for a person that owns, operates, manages, or controls, or leases to another person, equipment that generates electricity from a renewable resource if the equipment is located on premises owned or occupied by another person. The exemption applies to electricity generated from the following renewable resources: 1) certain renewable fuel cells; 2) tidal or wave action; 3) solar thermal electric or photovoltaic energy; 4) wind power; 5) geothermal technology; 6) biomass; 7) certain synthetic gas or fuel pellets; 8) fuel produced by pyrolysis of organic or waste material; 9) heat that is a byproduct of a manufacturing process; 10) hydroelectric power; or 11) other resources that the PSC designates as renewable resources. The exemption applies only if the person provides electricity generated by the equipment either 1) to another person pursuant to a lease or power purchase agreement or 2) to a public utility or a cooperative association that is not regulated as a public utility. In addition, to qualify for the exemption, the person may not engage in any other activity that would qualify the person as a public utility that is subject to regulation by the PSC.

The bill prohibits an electric public utility from refusing to connect its electric distribution facilities to the electric-generating equipment of a person subject to the

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exemption described above if the connection satisfies rules promulgated by the PSC establishing standards for connecting certain electric generating facilities with a capacity of no more than 15 megawatts to electric distribution facilities.

For further information see the state fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 196.01 (5) (b) 8. of the statutes is created to read:

2 196.01 (5) (b) 8. A person that satisfies all of the following requirements:

3 a. The person owns, operates, manages, or controls, or leases to another person,
4 equipment that generates electricity from a renewable resource, as defined in s.
5 196.378 (1) (h), and that is located on premises owned or occupied by another person.

6 b. The person provides electricity generated by the equipment specified in
7 subd. 8. a. to the other person specified in subd. 8. a. pursuant to a lease or power
8 purchase agreement; to a public utility, as defined in par. (a); or to a cooperative
9 association described in subd. 1.

10 c. Except for the activities described in subd. 8. a. and b., the person does not
11 engage in any other activity that would result in the person meeting the definition
12 of “public utility” under par. (a).

13 **SECTION 2.** 196.496 (3) of the statutes is created to read:

14 196.496 (3) PROHIBITION. (a) In this subsection:

15 1. “Equipment” means equipment described in s. 196.01 (5) (b) 8. a.

16 2. “Third-party renewable provider” means a person who is exempt from the
17 definition of “public utility” under s. 196.01 (5) (b) 8.

