



**Wisconsin Public Utility Institute Executive Board Meeting  
Meeting Minutes  
December 16, 2010**

The meeting was called to order by Cara Lee Mahany Braithwait at 8:34 CT.

In attendance: Cara Lee Mahany Braithwait, WPUI; Scott Williams, WPUI and UW Energy Institute; Merlin Raab (representing Barb Nick), Wisconsin Public Service Corp.; Peter Taglia, formerly of Clean Wisconsin; Earl Gustafson, WI Paper Council; Dave Benforado, MEUW; Prof. Rodney Stevenson, UW School of Business; Terry Nicolai, Alliant Energy; Prof. Mike Corradini, UW College of Engineering; Jordan Hemaidan, Michael Best; John Imes, WEI; P.J. Distefano, Chair, Deloitte & Touche; (BY PHONE: Cheryl Parrino, Parrino Consulting; John Schulze, ATC; Dave Jenkins, WI OEI; Dave Donovan, Xcel Energy; Brian Rude, Vice Chair, Dairyland)

Excused: Nathan Zolik, PSCW; Charlie Higley, Citizens Utility Board; Paul Meier, UW Energy Institute; Lynn Hobbie, MG&E, Rep. Jim Soletski, WI Assembly

**June Minutes**

Dave Benforado moved to approve the minutes. The motion was seconded by Terry Nicolai. There was no discussion. The motion was approved by a unanimous vote.

**Nominations Committee**

The nominations committee noted that the November election has caused some potential changes to the WPUI board. All three legislators that are currently serving on the board are leaving (Rep. Montgomery did not run for reelection). WPUI bylaws state that two board members from the legislature should be from different parties. Now that Republicans will control both chambers of the state legislature, it may make the search for a Democrat on the board a little more difficult, but it was suggested that WPUI pursue a ranking minority member of a committee.

There will be two committees on the Senate side on energy and utilities, and it's unclear what the dividing lines are; the board may want legislators from both.

-It was agreed that there is a need to reach out to legislators in charge of the committees to maintain a good relationship with legislature, which means setting up meetings to explain what WPUI is and the need for legislators on the board

-Sen. Rob Cowles is one of the new committee chairmen and used to be on WPUI board. There was discussion about whether he should serve on the board again or if someone new should be on the board. John Schulze said he'd be willing to talk to either Sen. Cowles or Sen. Rich Zipperer.

While the bylaws called for two members coming from the legislature, the current board has three legislators because of high interest. It was noted that Reps. Soletski and Montgomery were exceptional in their participation on the board.

Earl Gustafson noted that Rep. Mark Honadel, future chair of the Assembly Committee on Energy and Utilities, had a high level of participation on a labor advisory board that he served on, and could possibly show the same level of participation on the WPUI board.

The nominations committee will come back with recommendations in June; John Schulze, P.J. Distefano and Dave Benforado will pursue different legislators in the meantime.

The following board members' terms expire in June 2011: Cheryl Parrino, John Imes, Peter Taglia, Dave Jenkins, Barb Nick, John Schulze

-Peter Taglia wants to continue to serve even though he is no longer with Clean Wisconsin. Depending on where he will be working by the time of the next board meeting in June, we will have to determine whether that constitutes an environmental organization so that he can still serve in that capacity. Otherwise, he could serve as an At Large member with someone else filling the role of environmental organization.

-Cheryl Parrino says she's happy to continue to serve

-John Schulze said he'd like to continue to serve

-Dave Benforado said that while the Office of Energy Independence may not exist in its current form under the new administration, Dave Jenkins (who joined the meeting later) will still likely be in the state government and remains a valuable asset for the board.

-Merlin Raab said that Barb Nick is interested in reappointment

P.J. Distefano suggested that the nominations committee spend time with each member that's up for reappointment over the next few months. Dave Benforado said he has done that in the past.

## **Budget**

Cara Lee Mahany Braithwait gave an overview of the budget for the calendar year 2010 (assumptions made through Dec. 31)

While a \$15,000 shortfall was originally predicted for 2010, we swung the opposite way and achieved about a \$15,000 surplus. This was largely due to a planned reduction in hours by Cara Lee as well as an increase in revenue stemming from two EEI courses (Advanced Rates and a new Transmission program) plus a highly attended Energy Utility Basics course. Those three programs (EEI programs and EUB) contributed to the bulk of the program revenues. The fee-based programs generated more revenue than operating expenses, but at a smaller margin.

Both EEI courses will continue in 2011. The EEI Rates course, happening in July, is only open to EEI members, but Cara Lee is trying to open it up to others. The Transmission course will occur again in August and is open to anyone.

Cara Lee projected the status quo for the budget in 2011 compared to 2010, with the same number of programs provided as 2010 and the same level of staff support and membership contributions predicted. With those projections, WPUI will essentially break even for the year.

Mike Corradini noted WPUI will inhabit the new Wisconsin Energy Institute building, which will be completed in 2012. Mike and others convinced the current governor that the new building should not just be about bioenergy but “alternative energy” in general, which allowed WPUI and other energy groups on campus to occupy the building.

### **Members**

Cara Lee Mahany Braithwait asked the board to look at the list of those organizations that were sent a membership letter and encouraged each person to choose at least one person to contact about becoming members or renewing their membership.

P.J. Distefano talked to Fred Lautz at Quarles and Brady and recommended we send a packet him personally. He also talked to Sandy Williams at Foley & Lardner (Sandy is a speaker at EUB), and said there is a possible member there.

John Schulze said that NextEra now has an office in Wisconsin and may be interested in becoming members. Cara Lee would like MISO to move from \$875 level to a higher level. She sought recommendations for others from MISO to contact. Peter Taglia recommended David Hadley (former commissioner from Indiana). Jordan Hemaidan and John Schulze said they know Clair Moeller and could contact him.

Peter Taglia recommended groups involved with biomass power: Piper Electric (biogas digesters) and DTE. Peter also knows Todd Palmer from Dewitt (who’s worked on Clean Air Act issues) – he speaks at Tracey Holloway’s class on air pollution at UW-Madison.

Vestas was mentioned as another possibility. Mike Corradini suggested that we would want to coordinate that with Prof. Tom Jahns, because Vestas already has a contract with him and the university for research.

Earl Gustafson suggested Orion, which used to be a member. Mike Corradini has a former student who works at Orion, and John Imes knows CFO Mike Pons. Earl Gustafson and John Imes said they would like to collaborate to contact Orion.

Peter Taglia suggested contacting Shaina from Cullen Weston, because Curt Pawlisch has been having health issues. Dave Benforado said he will make a personal pitch to WECC. Dave Benforado also mentioned that we will have to talk to the new chair of the Public Service Commission when Gov. Walker appoints him or her in 2011 and figure out who they would want to represent them at WPUI. Currently, Nate Zolik, the Executive Assistant to Commission Chair Eric Callisto, serves in that capacity for WPUI.

### **WPUI Committee Assignments**

Cara Lee Mahany Braithwait presented the current list of board members who are either required to be on a committee or have volunteered to be on a committee. John Schulze expressed interest in being on the nominations committee.

No one is currently on the membership committee. Cara Lee Mahany Braithwait said that all board members are essentially on the membership committee, because all should contact at least one person for the membership drive.

P.J. Distefano said he would like to have a formal membership committee; Jordan Hemaidan volunteered to be on the committee, as did John Imes, P.J. Distefano, and Brian Rude

Cara Lee will convene a call with each committee in the next few months. Each committee will come up with a plan for the coming year and then report their plan back to full board via a conference call.

## **Programs 2010**

Cara Lee gave an overview of events and programs that occurred in 2010. They included:

- March: Communicating Climate Science (Gavin Schmidt)
- April: Just What Are You Thinking (Hunt Allcott and Annika Todd)
- May: Transmission Program (11 panelists from around the country)
- May: MEEA and ECW: Wisconsin Thought Leadership
- June: Scott Patrick Williams presents in Washington, D.C. on research conducted at WPUI last summer
- Corey Singletary takes a position at the Public Service Commission with Bob Norcross
- September: Retail's Evolution of Providing and Buying Energy: Feedback on Feedback.
- September: Climate Change and Adaptation (previously Just the Facts): Current and expected changes in Wisconsin from changes in our climate. Co-sponsored with the Wisconsin Initiative on Climate Change Impacts
- EEI advanced rates program, July 25 – 28
- EEI transmission program, August 2-6
- Energy Utility Basics, October 25-29

The September smart meters roundtable will be held again in 2011, tentatively set for Sep. 27. Energy Utility Basics received high praise from participants

- Evaluations from participants showed that the vast majority thought that the speakers were knowledgeable and effective.
- When given a list of terms before and after the course, the average percentage of people who knew each term went from 16% before the course to 62% after the course.
- Terry Nicolai said that at Alliant, they recommend that people work for a couple years before attending. Otherwise, workers may be too overwhelmed with all the information. Merlin Raab, who was a presenter, said he saw a lot of interaction and lots of good questions from the participants.

### *Programs not pursued:*

- GKA Social Marketing: WPUI hosted a lunch for planning a conference; we had participated in the conference in the prior year, but GKA went bankrupt and so this year's

conference didn't go forward. John Imes believes GKA emerged from bankruptcy with a new name (possibly New Horizons).

- WI DNR thought the renewables siting program was premature (also happened at same time as PSCW wind siting rules)
  - Dave Benforado asked if WPUI should reach out to the DNR to become members. DNR will be involved in new clean air and biomass rules that affect the utility industry.

Energy Hub conference was well attended again, with more than 180 attendees at the Monona Terrace. This year's conference also had a great alternative vehicle show. WPUI supported a grad student to help the conference planning stay on track.

### **Program Directions for 2011**

Cara Lee Mahany Braithwait reiterated the WPUI statement of purpose to the board, highlighting its role of providing an open forum for the free exchange of ideas on topics that are important to all stakeholders in the utility industry. She went through evaluations from the Climate Change Adaptation program and found that the vast majority of respondents came away thinking differently about this topic and thought that the program was in the spirit of WPUI's mission.

#### *Programs 2011*

PSCW staff members Corey Singletary and Andrew Kell requested a workshop on the Smart Grid/Smart Meters that was more than just fluff and hype – they wanted to get a sense of the practical, implementation aspects of smart grid. The plan is to have several half-day sessions on the smart grid, starting in February or March and occurring once per month. The first session, a technical background piece, could be held at UW-Madison because its speakers will be mostly university faculty, but the rest of the programs will likely be hosted at PSCW. We've already received good input from several people who are collaborating on this project, including Rick Potter from Alliant, Dave Donovan, Peter Taglia, and Corey Singletary and Andrew Kell from PSCW. The tentative outline for the several-part series was included in the packet.

Dave Benforado noted that, with regard to the cybersecurity workshop, there might be some new federal legislation on cybersecurity. Cheryl Parrino said it is being latched onto a net neutrality bill, which has become a much more partisan issue than cybersecurity. Cheryl said that the FCC is currently working on cybersecurity issues and she is trying to get plugged into someone there.

Merlin Raab added that there needs to be discussion on whether these new technologies are being pushed by vendors or whether they are being pulled by consumers who can see a real value. He added that there needs to be the "loyal opposition" in the discussion, or someone to say, "Time out – these things are not a forgone conclusion."

Cara Lee Mahany Braithwait said that if anyone wants to help provide resources (speakers), please join the conversation quickly.

Peter Taglia presented his idea for Utilities as Transportation Fuel Providers. He notes that there are projections of expansion of electric and compressed natural gas vehicles, and that other states

like Michigan have a formal EV process between utilities and agencies or NGOs. Questions include what are scenarios for total load? How does this change the economics and environmental impacts of our energy mix?

P.J. Distefano suggested that Oshkosh Trucks and Johnson Controls would be two good Wisconsin companies who are looking into this issue. Brian Rude added that with the issues of having excess wind energy at night, Dairyland is considering a pilot program to encourage charging electric cars at night and using them for storage. Brian and Dave Benforado said that coop and municipal utilities would be interested in this topic from a business model perspective (how do they think of this for future planning?) – it is not really a regulatory concern but a business model. It was suggested that someone contact MG&E about their EV program, which was funded by federal ARRA money. Dave Jenkins said that his office is working with several municipalities for EV, and both he and Brian Rude volunteered to work with Peter on this topic

A program that was not pursued last year was regarding new technologies that could receive renewable energy credits under state law. Peter Taglia recommended that WPUI wait for what comes out of PSCW's rulemaking process before getting in too deep. After discussion on the timing for this program, Cara Lee Mahany Braithwait proposed a January conference call on this topic with people who are interested to determine whether we do a preemptive program or a "right on time" program. Terry Nicolai suggested a joint PSC/WPUI technical conference, while Peter Taglia suggested a webinar format to be as flexible as possible to potential attendees. Cheryl Parrino said the main question the board should ask itself is what the goal is for this program.

Other programs that will occur in 2011 are the EEI Advanced Rates and Transmission programs, as well as several "Opportunity Knocks" programs that are co-sponsored with the UW Energy Institute.

### **Program Ideas:**

Cara Lee asked the board for suggestions of other possible programs to pursue.

Terry Nicolai's suggestion was what role energy utilities should play in economic development/job creation

- Jordan Hemaïdan said that traditionally, economic development from a utility standpoint has meant attracting new customers
- How much is local job creation relevant to building a new plant (e.g. if it's cheaper to import wind power, do you still build a biomass plant to create more jobs locally?)
- Earl Gustafson and others discussed the role of utilities in business competition. Does one paper company want another company to receive a special rate subsidy to retain them? It was suggested that we look at aluminum companies as a possible case study.

Jordan Hemaïdan suggested a topic on renewable energy and subsidies, and whether there's a business case for renewables without subsidies going forward. Also discussed were a look at the history of subsidies and whether they achieved their intended purpose. Earl Gustafson noted that

there needs to be a discussion about why you might subsidize something and why discrimination is not always a bad word when it comes to subsidies.

Merlin Raab suggested that, now that cap-and-trade is dead in Congress, WPUI look at possible scenarios for energy legislation at the federal level? Other questions include:

- What does cheap gas mean for nuclear, coal, etc.?
- What are we going to spend our limited money on?
- How much is EPA going to play a part if Congress is “shut down?”
- What’s included in a “Clean Energy Standard?”

There appears to be a pullback on biomass power: Is there still an opportunity?

- There’s a lot of uncertainty now with the new governor halting the biomass plans for the Charter St. plant and Xcel halting the Ashland biomass plant
- What does it mean for jobs?
- Is biogas the small niche that everyone can agree on?
- Paper companies are still waiting to see what will happen to some projects (Park Falls project, Domtar – We Energies)

This could be a joint project with the Wisconsin Bioenergy Initiative. It was suggested that we contact Troy Runge and Gary Radloff

Dave Benforado suggested a program of what the implications are if the next state legislature repeals the nuclear power moratorium, although the board agreed that it might not have much impact in the near term considering the excess capacity that Wisconsin currently has.

Mike Corradini suggested a program on the regional differences of how we plan for the next 10-20 years (i.e. how does northern Midwest compare to other regions?) with regard to energy and water infrastructure. Each region will have different concerns. Examples include:

- How Wisconsin utilities are affected by Canada, Exelon
- North Dakota is suing Minnesota over its RPS local content standards
- New England Coalition

Terry Nicolai asked how we should educate legislators and their staff on energy basics, noting that it has been difficult to get interest from legislators in the past. The Legislative Council seems to want to educate legislators on the basics without outside help. One approach discussed would be to have a special topic program at the capitol and invite legislators to attend.

WPUI currently lets the Legislative Council attend our programs for the cost of the lunch. It was discussed whether there could be a scholarship for legislators or their staff to attend Energy Utility Basics. However, legislators and staff may not be able to set that much time aside to attend the weeklong course.

Cara Lee suggested that the program committee meet in January to discuss all these program ideas, and that the following questions be asked:

- Can we do this?
- What’s the goal?
- Whom do we have to involve?

**Next meeting**

Proposed next board meeting to be held on Friday, June 17, 2011.

The meeting was adjourned at 11:34 a.m.