

December 14, 2012 Board Meeting

The meeting was called to order by Cara Lee Mahany Braithwait at 8:00 a.m.

Present: Chris Reader, former Sen. Zipperer's office; John Schulze, Public Service Commission; Jim Schubilske, We Energies; Tim Kallies, Wisconsin Public Service Corp.; Peter Taglia, E&E Consulting; Steve Peters, Rep. Zepnick's office; Terry Nicolai, Alliant Energy; Kevin Vesperman, State Energy Office; Scott Williams, WPU and Wisconsin Energy Institute; Paul Meier, Wisconsin Energy Institute; Michael Corradini, Wisconsin Energy Institute; John Sumi, Madison Gas and Electric (in for Lynn Hobbie), Brian Rude, Dairyland; Robert McKee, ATC; Jordan Hemaidan, Michael Best and Friedrich

Excused: R.J. Pirlot, Public Service Commission; P.J. Distefano, Deloitte and Touche; Cheryl Parrino, Parrino Consulting; Earl Gustafson, WI Paper Council; Charlie Higley, Citizens Utility Board; Dave Donovan, Xcel Energy.

Unexcused: John Imes, Wisconsin Environment Initiative;

Budget

Cara Lee Mahany Braithwait showed the revenues, expenses and cash flow from July to December 2012. The projected balance for the end of the 2012 calendar year is lower than at this time last year (\$249,500 to \$263,500). This is largely due to lower attendance at Energy Utility Basics – we had 43 students instead of the usual 65 to 70. Cara Lee will move the course to the Pyle Center next year to save on expenses and plans to meet with NARUC for more help with promotion. Most other programs break-even or lose a little bit, and some are offered at no charge. However, most revenue losses are made up with EUB and the two EEI courses.

Nominations

The board needs a new representative from municipal utilities now that Dave Benforado has resigned from MEUW. The nominations committee had a conference call recently and suggested that the next municipal board member come from an individual utility rather than an association, especially a larger utility that provides both electricity and water. The board listed the following utilities to pursue for membership:

1. Manitowoc
2. Marshfield
3. Kaukauna
4. Sun Prairie
5. Cedarburg

6. Oconomowoc

John Schulze will talk to someone from each utility and report to the nominations committee. The nominations committee will then nominate an individual, and the board will vote by email before the next meeting in June.

Jim Schubilske motioned to add Bradley Jackson from Foley and Lardner to the board, Tim Kallies seconded. There was no discussion. The motion unanimously passes, with Robert McKee abstaining.

The board is still in need of a legislative member to replace Sen. Zipperer, who took a position in the Walker administration. It was recommended that Paul Farrow, who was a state representative and was elected to fill Sen. Zipperer's vacancy in the Senate, take his place. Peter Taglia motioned to have John Schulze seek out Farrow for board membership. Terry Nicolai seconded. The motion passed unanimously.

There was discussion about whether to bring Dave Benforado back to the board in another capacity, because of his previous leadership on the board and his active membership. It was suggested that the board wait until a municipal board member is selected before asking Dave to serve again, because he might be in a new position at that time that would make him either more or less appropriate for board membership. The discussion was tabled.

Membership

New membership packets were given to board members. WPU is awaiting several members to renew their membership. We are expected to lose Dominion and maybe KEMA. Cara Lee would like to elevate MISO's membership and contribution to programming, and Bob McKee offered to discuss with Cara Lee.

Suggestions for new members: Foley and Lardner, and GE (Peter Taglia offered to reach out). Several board members said they would send their suggestions to Cara Lee in the near future.

Programs

The following programs were offered since July 2012:

- July 17: Transmission – why and how.
 - o History, the planning process, public input. Lots of lively discussion.
- July 22-25: EEI Advanced Ratemaking Course (will be renewed for next year)
- August 6-10: EEI Transmission and Wholesale Markets School
 - o This was a transition year for EEI (a new person in charge of the course), but it appears that it will be renewed for next year
- September 13: Gas: What's in the Pipeline?

- o Top notch experts from around the country.
- September 14: Advanced Metering Roundtable
- o After some discussion on what topics to include for a follow-up program, it was decided that the topics would be chosen at a later date.
- October 1-5: Energy Utility Basics
- o Received a lot of positive feedback, especially on the renewables session. Cara Lee will send a letter to each attendee asking them to suggest the course to colleagues.
- Nelson Institute – cosponsored series on fracking
- o Provided speakers for and moderated the third session on November 27, dealing with the economics of cheap natural gas and the effect on utility decision-making

WPUI also provided support for the student group eHub, which held a well-attended conference on November 30. WPUI will hire an outreach/communications coordinator to bring more programming to eHub students.

Upcoming programs

The following program ideas were discussed:

- FERC – right of first refusal and transmission competition. This would most likely occur in the second half of the year – a lot of decisions have yet to be finalized at FERC and MISO. What projects would be open to competition? What benefits would they provide? Will those projects be in WI? What would those projects look like? How would PSC be involved? Who are the different players? What does this mean for markets as we transition away from reliability to economic/policy with reliability benefits? Bob McKee will be involved with planning, and John Schulze will ask someone from PSC to help with planning.
- Water Utilities. WPUI has been in touch with a number of experts: PSC, Boardman and Clark, American Water. What are the issues that water utilities face that could cause rates to go up (e.g. replacing infrastructure, meeting new water quality standards)? What opportunities are there for regional planning/cooperation, and what are the barriers? This program will likely be held in June.
 - o There will be a separate program on the water/energy nexus. Peter Taglia will help with planning.
- Economic Development Rates. Some suggestions of topics/participants: Mercury Marine, We Energies' Real Time Pricing program, WIEG. This issue appears to be moving off the legislative agenda and moving to the commission's agenda.

- Legal assessment of siting rules. What are your rights when new infrastructure comes to town (wind, transmission, etc.)? Cara Lee is meeting with Kira Loehr from CUB to discuss a program that would be eligible for CLE credits for lawyers.
- Gas – pipeline and transportation fuel issues? PSC will have an open docket technical review in early 2013. It is possible for WPUI to hold a program in the fall as a follow-up.
- Distributed generation – what incentives and technologies make sense for Wisconsin? For example, is third party ownership of small-scale generation an appropriate solution? Several board members expressed interest: Tim Kallies, Brian Rude, Kevin Vesperman, Peter Taglia.
- Lessons learned from Sandy – fall 2013
- Seams issue between MISO and PJM. Wisconsin has a lot of capacity, but the structure inhibits selling of power (We Energies has some people interested in this issue)
- Cybersecurity issues. It was decided to wait until something comes out of the Obama administration or Congress before pursuing a program.
- New EPA regulations – several rules may be rolled out in the next six months or so. WPUI could hold a session similar to its January 2012 program on the EPA and the energy industry.
- Kewaunee Nuclear Plant – why is it shutting down, will it be shut forever?

WPUI will have a special board meeting in late February. The theme of the meeting is: are there other things WPUI can do to deliver to its members?

The date for the June board meeting was set for June 21.

The meeting was adjourned at 10:40.