

RENEW Wisconsin Policy Brief

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Clean Energy Choice

Issue: RENEW Wisconsin believes that any customer that wants to host a renewable energy system should have that right and the financial tools to help them do so. In many cases, the largest barrier for a customer to install a biodigester, wind turbine, or solar power system is the initial up-front cost.

An attractive solution to these challenges is a business model called Clean Energy Choice, in which a third-party owns, operates, and sells the renewable power to the host customer. Currently available in 22 states, third-party financing is an increasingly preferred means of financing on-site renewable energy generation. In states where these arrangements are allowed, up to 75% of new residential solar installations are completed using Clean Energy Choice-type arrangements. On the business side, Kohl's and Wal-Mart have solar on 365 stores across the U.S using this model.

In Wisconsin, public utility law is ambiguous regarding the legality of these arrangements. **RENEW Wisconsin believes a technical fix to state law should be made to clarify these arrangements as legal.** This legal ambiguity dampens business interest in investing in customer-sited generation, and is a serious detriment to developing a healthy renewable energy marketplace in Wisconsin.

2013 Update: Corrective legislation has been drafted, and is awaiting sponsors in the legislature to introduce the proposed bill. Most utilities have signaled opposition to such legislation, which has caused some trepidation in introducing the bill.

RENEW has been courting constituencies that would benefit from Clean Energy Choice and more than 95 companies and organizations have signed a support statement, which is found at <http://renewwisconsin.org/action/CleanEnergyChoice.htm>. In addition, creative third-party owned projects have sprung up using a variety of models, including:

- Co-owning renewable energy systems with property owners;
- Providing renewable energy credits and not energy;
- Moving ahead with approval or indifference from the local utility.

2014 Needs: The most logical and efficient solution would be legislation that eliminates the current legal ambiguity. This relatively simple fix would dramatically increase the amount of clean energy installed in Wisconsin. Actions that can promote this solution include:

- Educate more companies, organizations, local governments, and school districts about third-party ownership and the renewable energy benefits;
- Add more companies and names to the Clean Energy Choice support statement;
- Contact legislators to introduce and support the Clean Energy Choice legislation;
- Encourage private companies to structure projects to increase the number of Clean Energy Choice examples and showcase the benefits for energy customers and the state;
- Have the PSC open an investigation docket to address the benefits and costs of distributed generation in an official forum, which would include all interested parties.