

**BEFORE THE
PUBLIC SERVICE COMMISSION OF WISCONSIN**

Appeal of Denial of Application for)	
Interconnection, Request for Contested)	
Case Hearing, and Petition for Declaratory)	Docket No. 9300-DR-104
Ruling of Eagle Point, LLC and Eagle Point)	
Energy 6, LLC		

Response of Clean Energy Coalition in Support of Request

Pursuant to Public Service Commission of Wisconsin (“PSCW”) rules, we, the Clean Energy Coalition, composed of businesses, organizations, and municipalities seeking to advance clean energy in Wisconsin, file this response in support of the petition and appeal (PSC REF# 360787) filed by Eagle Point Solar and Eagle Point Energy 6 (collectively, “Eagle Point”) pursuant on March 6, 2019. Eagle Point’s filing relates to a Solar Services Agreement between Eagle Point and the City of Milwaukee (“City”) and associated interconnection applications disapproved by the Wisconsin Electric Power Company (“WEPCO”). Eagle Point requests that the PSCW order WEPCO to approve the interconnection applications, and rule that Eagle Point’s performance of the Solar Services Agreement with Milwaukee does not constitute a public utility service offered to or for the public under Wisconsin to or for the public under Wisconsin Statutes section 196.01(5).

We, the undersigned businesses and organizations, strongly support policies and practices that facilitate the increased use of renewable energy resources in Wisconsin. In recent years, solar energy has emerged as an attractive and cost-effective resource option for both electric utilities and individual customers. Just as Wisconsin’s electric utilities now view solar photovoltaic farms as a cost-effective pathway for meeting their power generation needs, many end-users of electricity value on-site solar to reduce their electric bills and increase the sustainability of their operations.

But the value proposition of solar energy systems requires an up-front capital investment to purchase and install equipment that will for years to come provide savings and benefits to the host customer. The up-front capital cost of solar energy systems presents a significant barrier to households or businesses that do not have the savings available for purchasing the equipment out-of-pocket.

Petition for Declaratory Ruling

As shown by the example of more than 20 states, third-party financing models, including standard equipment leases, can overcome this barrier. Where expressly allowed, the transfer of

the up-front capital costs to an entity with greater access to capital, lower cost of capital, and/or greater ability to monetize federal tax incentives has been instrumental to commercial, industrial and governmental customers seeking to access solar energy projects for their property. We firmly believe that Wisconsin's business community will enjoy substantial and sustained growth if allowed to use the same tools that are available in such neighboring states as Illinois, Iowa, and Michigan.

The benefits to businesses and governments from approving a third party ownership structure that enables contractors (e.g., Eagle Point Solar) to provide a solar energy service to individual customers (e.g., the City of Milwaukee) on a building-by-building basis are numerous. Such an arrangement:

- Enables building owners to control (or lock in) energy expenditures through long-term contracts.
- Enables businesses to become more competitive in the markets where they operate by lowering their energy overhead costs.
- Provides another tool to businesses and communities for achieving sustainability goals.
- Enables government and other nonprofit entities (school districts, places of worship, faith-based institutions, community centers, and others), to partner with for-profit companies that can take advantage of the tax credits, thereby creating a pool of savings that can be passed along to system hosts.
- Strengthens local economies by generating work for area businesses in equipment manufacturing, project construction, and post-construction operations and maintenance.

The Solar Services Agreement designated six City-owned properties that would be supplied with solar-generated electricity. Eagle Point was to install a solar system for each building, and each system was to be sized to a portion of the host facility's total consumption. The combined capacity of these electric systems was to total slightly more than a megawatt. Had these installations been allowed to go forward, this initiative would have taken the City closer to its own renewable energy goals, while reducing its electricity bills in a cost-effective manner and leading its citizens and businesses by example.

The threat of being considered a public utility is a real barrier to companies seeking to provide the benefits of solar energy to Wisconsin electricity customers. In this particular case, we note that these City-owned properties would remain customers of WEPCO. The performance of Eagle Point's contract would not in any respect change the relationship that exists today between the City and the incumbent public utility. It is time to clarify the regulatory framework that today limits third-party financing options available to customers who wish to be supplied with renewable energy.

The undersigned businesses and organizations strongly urge the Commission to open a docket to review the Solar Services Agreement between Eagle Point Solar and the City of

Milwaukee, and to rule that Eagle Point Solar’s performance of that Agreement would not constitute a public utility service offered to or for the public.

Appeal of Improperly Denied Interconnection Applications

The Clean Energy Coalition also strongly supports Eagle Point’s appeal of WEPCO’s denial of interconnection. On the merits of Eagle Point’s appeal, we note that there is no reference anywhere in the interconnection rules (PSC 119) that pertain to the ownership of the distributed generation system. PSC 119 is clearly grounded in the presumption that interconnection is to be granted to every distributed generation system in Wisconsin that meets the technical requirements specified in PSC 119. Our view of a utility’s responsibility to allow interconnection regardless of system ownership is consistent with views expressed by PSCW Chief Legal Counsel Cynthia Smith in a letter to Madison Gas and Electric. In that letter, dated April 3, 2014, Ms. Smith addressed the question of whether or not PSC 119 allows a utility to deny interconnection to a distributed generation resource based on an ownership question, and her response could not be clearer. That letter stated:

“[T]he ownership of a distributed energy resource is irrelevant to a utility’s obligations under Wis. Admin. Code ch. 119. The Commission’s rules do not allow an incumbent utility to refuse to connect a distributed generation resource because the utility knows or has reason to believe the customer may not own the resource. In other words, Wisconsin Admin. Code ch. 119 applies to *all* distributed generation up to 15 megawatts.”

To the best of our knowledge, Ms. Smith’s letter represents the most recent communication from the PSCW addressing that question. Given that fact, we believe that the PSCW should order WEPCO to approve the interconnections for these seven installations.

Collectively, we thank you in advance for your consideration of our perspectives.

Sincerely,

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