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## Renewable Energy Digesters get a funding boost from the Public Service Commission (PSC)

On Oct. 20, 2016, the PSC authorized at least \$7.5 million in funding for rebates for solar, wind and geothermal projects around the state. This would put back in play a rebate program for energy consumers. Moreover, the PSC stated that it is considering authorizing between \$10 million to \$20 million of Focus on Energy funds to be used on manure digester technology and will lead efforts with other state agencies to encourage the use of the equipment in connection with energy production. Renewable energy developers should consider these funding sources on qualified renewable energy projects in the future.

## The Renewable Energy Loan Program

In the PSC Order of Nov. 21, 2014, the PSC addressed the financing of renewable energy projects for the first time. In that Order, the PSC determined that \$10 million should be set aside for the creation of a renewable revolving loan fund. Of this amount, \$2.5 million will be allocated in each of four years. In addition, \$5 million and \$3.5 million were to be made available for qualified renewable energy projects in 2015 and 2016.

In a [previous newsletter](#), the Godfrey & Kahn Environmental Strategies Practice Group described the original renewable loan fund program. In its Oct. 20, 2016, meeting, the PSC decided to eliminate the loan program funding and use the remaining balance for renewable incentive funding for 2017 and 2018.

The renewable incentives for business program have historically been distributed via the renewable energy competitive incentive program. This program awards incentives through a bidding process under which customers submit project proposals outlining costs and proposed savings and Focus on Energy staff select the proposals that rank most highly on cost-effective savings and other criteria. The last request for proposal (RFP) was provided in 2015, and the demand was high with over 90 applicants requesting \$7.6 million. Ultimately, 52 projects were funded for a total of just over \$3.8 million. Without the recent PSC order, the renewable loan fund would continue to operate with its current program design and authorized funding level of the remaining balance of \$10 million budgeted for 2015 – 2018. In addition, the incentives for renewable technologies would not be offered in 2017, and forward as funding for those incentives was only authorized by the PSC through 2015. *Wisconsin Utility Regulation Report Oct. 20, 2016 at page 28.*

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## Anaerobic Digesters

As indicated, the PSC has authorized up to \$20 million of Focus on Energy funds to be used for anaerobic digester projects that meet eligibility requirements. In particular, the main focus of eligible projects will include the following factors:

- Enhance existing anaerobic digester systems to improve manure handling and opportunities for cost-effective renewable energy
- Encourage manure management practices at smaller scale farms by providing incentives to participants with larger farms that already support anaerobic digester systems
- Utilize renewable energy resources to improve digester system output and economic efficiencies
- Improve the expertise and excess capacity of regional municipal wastewater treatment infrastructure for water quality improvements
- Look for opportunities to provide regulatory flexibility and cooperation between stakeholders and state/federal agencies
- Encourage coordination between all levels of government to promote cross agency collaboration

The PSC has established a system for soliciting proposals from eligible participants utilizing the following technologies that are regarded as worthy of consideration by the listed state agencies:

|   |   |
|---|---|
| <b>Public Service Commission/Focus on Energy</b>                | <ul style="list-style-type: none"> <li>• Biogas Production and Conditioning</li> <li>• Biogas Compression, Piping and Storage Electricity Production</li> <li>• Renewable Natural Gas Production and Use Production of CNG (transportation fuels) Energy Efficiency and Other Renewables</li> </ul> |
| <b>Department of Natural Resources</b>                          | <ul style="list-style-type: none"> <li>• Liquid/Solid Separation</li> <li>• Waste Homogenization</li> <li>• Pathogen Reduction</li> <li>• Water Treatment and Discharge Technologies</li> </ul>   |
| <b>Department of Agriculture, Trade and Consumer Protection</b> | <ul style="list-style-type: none"> <li>• Manure/Effluent Storage Systems</li> <li>• Manure Transfer/Piping</li> </ul>   |

In addition, the PSC has established the following timelines for RFPs:

| <b>RFP Timeline</b>  | <b>Date</b>                  |
|--|------------------------------|
| RFP issued   | Jan. 3, 2017                 |
| Deadline to register and to submit for inclusion in pre-proposal seminar | Jan. 20, 2017 by 5:00 pm CST |
| Pre-proposal seminar   | Feb. 1, 2017                 |
| Proposals due  | May 1, 2017 by 5:00 pm CST   |
| Proposal presentations   | May 10-11, 2017              |
| Deadline to respond to reviewer comments                                 | May 26, 2017 by 5:00 pm CST  |
| Applicants notified of award status via email                            | June 5, 2017                 |
| Last day for awardees to accept award                                    | June 15, 2017                |

For more information regarding the factors that would be considered for qualifying proposals, please see “[Integrated Anaerobic Digesters System Program, Request for Proposals and Application Template](#)” dated Jan. 3, 2017.

The PSC is sponsoring a public forum next month about the RFPs for a manure biodigester system. The forum will be held on Feb. 1 at 9:30 a.m. at the University of Wisconsin-Oshkosh Alumni Welcome & Conference Center. For more information on the forum, please [click here](#).

This is a unique opportunity for parties interested in promoting existing and new digester developments to engage with their respective state agencies on this RFP process.

Godfrey & Kahn has worked with numerous clients to successfully obtain competitive Focus on Energy and other significant funding for biogas, solar, wind and other renewable energy projects. For more information about the above Focus on Energy opportunities, please feel free to contact any member of the Godfrey & Kahn Environmental or Energy Strategies Practice Groups.

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