

..Number
131809
..Version
SUBSTITUTE 1
..Reference
131035, 131576
..Sponsor
ALD. BAUMAN

..Title
Substitute resolution directing the Department of Administration-Intergovernmental Relations Division to seek introduction and passage of state legislation relating to energy procurement regulations, including reverse energy auctions.

..Analysis
This resolution directs the Department of Administration – Intergovernmental Relations Division to seek introduction and passage of state legislation relating to energy procurement regulations to allow the City to:

1. Expand retail choice for utility customers and expand competition within the energy industry by offering customers the opportunity to purchase energy from their current utility or an alternative supplier.
2. Use the group power of the City, residents and eligible small businesses, with the City negotiating to lower utility rates for residential and eligible small business ratepayers.
3. Use reverse auctions for the procurement of energy.

..Body
Whereas, The State Energy Policy, s. 1.12, Wis. Stats., provides that in meeting energy demands, a local government unit shall to the greatest extent cost-effective and technically feasible, design all new and replacement energy projects following the following priorities, in the order listed:

1. Energy conservation and efficiency.
2. Noncombustible renewable energy resources.
3. Combustible renewable energy resources.
4. Nonrenewable combustible resources, in the order listed: natural gas, oil or coal with a sulphur content of less than 1%, and other carbon-based fuels.

; and

Whereas, On December 17, 2013, the Common Council adopted Resolution File Number 131035, approving and directing implementation of the City's first sustainability plan, *ReFresh Milwaukee: City of Milwaukee Sustainability Plan 2013-2023*; and

Whereas, *ReFresh Milwaukee* calls on the City to reduce energy use 20% by 2020 and increase reliance on renewable energy to 25% by 2025; and

Whereas, The City Energy Reduction Team, chaired by the Department of Administration-Office of Environmental Sustainability and composed of facility managers from various City departments, including the Department of Public Works, supports the State Energy Policy and is working to increase energy efficiency in City facilities; and

Whereas, In 2013, the City, including the Water Works and Sewer Maintenance Fund, paid \$16.7 million to WE Energies Corporation for electricity, including electricity for street lights, natural gas and steam for municipal buildings; and

Whereas, The small business electricity rate (class CG-1) has increased 87% since 2003; and

Whereas, The CG-1 electricity rate is paid on smaller City facilities, including fire stations and many public works field offices; and

Whereas, WE Energies Corporation is a regulated monopoly, and at present there is no effective commercial alternative to purchasing electricity from WE Energies Corporation; and

Whereas, WE Energies Corporation has dismantled its internal business units that promote energy efficiency and renewable energy; and

Whereas, The Common Council adopted Resolution File Number 131576 on April 2, 2014, directing the Department of Administration-Office of Environmental Sustainability and the Department of Public Works to create an energy independence plan that will, among other things, reduce reliance on WE Energies Corporation for the supply of electricity, natural gas and heat to operate City facilities; and

Whereas, It is of utmost necessity and importance that the State afford the City the means to seek alternative cost-effective ways of meeting its energy demands; now, therefore, be it

Resolved, By the Common Council of the City of Milwaukee, that the City calls upon the Wisconsin Legislature to amend and create state statutes relating to energy procurement by municipalities to allow the City of Milwaukee to:

1. Expand retail choice for utility customers and expand competition within the energy industry by offering customers the opportunity to purchase energy from their current utility or an alternative supplier.

2. Use the group power of the City, residents and eligible small businesses, with the City negotiating to lower utility rates for residential and eligible small business ratepayers.

3. Use reverse auctions for the procurement of energy.

; and, be it

Further Resolved, That the Department of Administration – Intergovernmental Relations Division is directed to include such changes in state statutes relating to energy procurement by municipalities in the 2015-2016 “Legislative Package Proposals;” and, be it

Further Resolved, That the Department of Administration – Intergovernmental Relations is also directed to lobby for appropriate modification of the rules and regulations of the Wisconsin Public Service Commission to accomplish the intent of this resolution.

..Requestor

..Drafter
LRB151938-2
TWM:lp
5/1/2014