



State of Wisconsin
2017 - 2018 LEGISLATURE

LRB-2520/1
MDK:klm

2017 ASSEMBLY BILL 198

April 4, 2017 - Introduced by Representatives OTT, NEYLON, GANNON, HUTTON, JARCHOW, KREMER, SANFELIPPO and SKOWRONSKI, cosponsored by Senators STROEBEL and COWLES. Referred to Committee on Energy and Utilities.

AUTHORS SUBJECT TO CHANGE

1 **AN ACT** *to repeal* 196.52 (9) (e); *to renumber* 196.52 (5); and *to create* 196.52
2 (5) (a) and 196.52 (9) (fm) of the statutes; **relating to:** public service
3 commission authority over leased generation contracts.

Analysis by the Legislative Reference Bureau

This bill allows the Public Service Commission to modify or terminate contracts for public utilities to lease electric generating facilities from their affiliates if the modification or termination protects and promotes the public interest. Current law imposes requirements on the PSC's approval of such contracts, which are called leased generation contracts. Under current law, the PSC may modify or terminate a leased generation contract which the PSC has approved only as specified in the contract or the PSC's order approving the contract. That limitation on the PSC's authority is an exception to the PSC's general authority to revise and amend public utility contracts in order to protect and promote the public interest.

The bill eliminates the above limitation on the PSC's authority. Under the bill, as with other public utility contracts, the PSC may revise and amend leased generation contracts, including those approved by the PSC before the bill's effective date, to protect and promote the public interest. In addition, if a leased generation contract has a term of ten years or more, the PSC must, every ten years after approving the contract, determine whether to modify or terminate the contract to protect and promote the public interest. Also, if the PSC approved, more than ten years before the bill's effective date, a leased generation contract with a term of ten years or more, the PSC must, as soon as practicable after the bill's effective date,

ASSEMBLY BILL 198

determine whether to modify or terminate the contract to protect and promote the public interest.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 196.52 (5) of the statutes is renumbered 196.52 (5) (b).

SECTION 2. 196.52 (5) (a) of the statutes is created to read:

196.52 (5) (a) Notwithstanding s. 196.52 (9) (e), 2015 stats., in this subsection, “contract” includes a leased generation contract, as defined in sub. (9) (a) 3., approved by the commission under sub. (3) before the effective date of this paragraph [LRB inserts date].

SECTION 3. 196.52 (9) (e) of the statutes is repealed.

SECTION 4. 196.52 (9) (fm) of the statutes is created to read:

196.52 (9) (fm) 1. In this paragraph, “leased generation contract” means a leased generation contract with a term of 10 years or more.

2. Every 10 years after the commission approves a leased generation contract under sub. (3), the commission shall determine whether to modify or terminate the leased generation contract to protect and promote the public interest, except that for each leased generation contract approved by the commission more than 10 years before the effective date of this subdivision [LRB inserts date] that is in effect on the effective date of this subdivision [LRB inserts date], the commission shall, as soon as practicable after the effective date of this subdivision [LRB inserts date], determine whether to modify or terminate the leased generation contract to protect and promote the public interest.