

**BEFORE THE  
PUBLIC SERVICE COMMISSION OF WISCONSIN**

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**JOINT APPLICATION OF WISCONSIN ELECTRIC )  
POWER COMPANY AND WISCONSIN GAS LLC )  
FOR AUTHORITY TO ADJUST ELECTRIC, )  
NATURAL GAS, AND STEAM RATES )**

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**DOCKET 5-UR-110**

**Surrebuttal Testimony of  
Courtney Lane**

**On Behalf of  
Clean Wisconsin**

**October 3, 2022**

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1     **I. INTRODUCTION AND QUALIFICATIONS**

2     **Q     Are you the same Courtney Lane who provided direct testimony on behalf of Clean**  
3     **Wisconsin in this matter?**

4     A     Yes.

5     **Q     What is the purpose of your surrebuttal testimony?**

6     A     The purpose of my surrebuttal testimony is to respond to the rebuttal testimony provided  
7     by Wisconsin Electric Power Company (“WEPCO Electric” or “Company”) witness  
8     Eidukas, Public Service Commission of Wisconsin (“Commission”) Staff witness Horrie,  
9     and Wisconsin Citizens Utility Board (“CUB”) witness Corey Singletary, and to clarify  
10    portions of my direct testimony.

11    **Q     What materials did you rely on to develop your testimony?**

12    A     The sources for my testimony are public documents as well as my personal knowledge  
13    and experience.

14    **Q     Are you sponsoring any exhibits?**

15    A     Yes, I am sponsoring the following exhibit:

- 16           • Ex.-CW-Lane-38 is U.S. Environmental Protection Agency. (2015). *Demand-*  
17           *Side Energy Efficiency Technical Support Document*. Appendix 2. Available at:  
18           [https://www.epa.gov/sites/production/files/2015-11/documents/tsd-cpp-demand-](https://www.epa.gov/sites/production/files/2015-11/documents/tsd-cpp-demand-side-ee.pdf)  
19           *side-ee.pdf*.

20    **Q     Were your testimony and exhibit prepared by you or under your direction?**

21    A     Yes. My testimony and exhibit were prepared by me or under my direct supervision and  
22    control.

1 **II. RESPONSE TO REBUTTAL TESTIMONY**

2 **Response to WEPCO Electric**

3 **Q Did you review the rebuttal testimony of Mr. Eidukas on behalf of WEPCO**  
4 **Electric?**

5 A Yes, I did.

6 **Q Please describe WEPCO Electric’s response to your proposal in this case.**

7 A The Company indicates that my proposed additional spend on energy efficiency is larger  
8 in total than the annual contribution to Focus on Energy required by Act 141.<sup>1</sup>

9 **Q Is this an accurate representation of your proposal?**

10 A No, it is not. This is a misleading statement. My proposed annual incremental spend is  
11 smaller than the Company’s annual contribution to Focus. In accordance with Act 141, I  
12 estimate that WEPCO Electric contributes approximately \$34 million each year to Focus  
13 on Energy (“Focus”).<sup>2</sup> Table 1 below shows my proposal for annual incremental funding  
14 and the resulting savings.

15 **Table 1. Proposed Incremental Energy Efficiency Funding and Savings**

	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>
Incremental Annual Funding (\$ Millions)	\$9.0	\$11.0	\$14.5	\$18.4
Incremental Annual Savings (% of 2020 Sales)	0.34%	0.42%	0.55%	0.70%

16 In addition, I did not recommend the most aggressive funding scenario from the Cadmus  
17 Group’s potential study. Instead, I developed the funding proposal for the Company

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<sup>1</sup> Rebuttal-WEPCO/WG-Eidukas-9.

<sup>2</sup> Average of total revenue reported in EIA 861 in 2018, 2019, and 2020 multiplied by 1.2% as defined in Act 141.

1 based on +50% scenario and proposed a gradual annual investment.<sup>3</sup> The increase in  
2 annual savings is also reasonable beginning with 0.34 percent in 2023 and increasing  
3 0.12 percent on average in each of the following three years. On average over the four-  
4 year period, the incremental annual energy savings is 0.18 percent of WEPCO Electric's  
5 2020 sales. This is reasonable given the average savings ramp-up of 0.30 percent per year  
6 in leading energy efficiency programs across the country.<sup>4</sup>

7 **Q Are there any clarifications to your direct testimony you want to make in response**  
8 **to the Company's rebuttal testimony?**

9 A Yes. While I recommend WEPCO Electric increase its spending on voluntary energy  
10 efficiency programs, I was not prescriptive in the design of those programs. However, I  
11 would like to clarify that I am not proposing or recommending that the Company  
12 administer and implement its own energy efficiency programs. My intent was for the  
13 Company to provide the additional funds to Focus to support additional energy efficiency  
14 opportunities to customers within WEPCO Electric's service territory. Focus would  
15 administer those funds through existing programs and implementation channels.

16 This approach would be similar to the Company's existing Voluntary Design Assistance  
17 Program (VDAP) where it provides additional incentives to supplement Focus' DAP  
18 offering. If the Focus DAP budget is unable to serve customer demand in the We  
19 Energies' service territory in a given year, the VDAP provides additional incentives to  
20 meet that demand.<sup>5</sup>

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<sup>3</sup> Direct-Clean Wisconsin-Lane-25.

<sup>4</sup> Ex.-CW-Lane-38:81 (Table 2-1)

<sup>5</sup> Direct-Clean Wisconsin-Lane-15-16.

1           **Response to CUB**

2   **Q     Did you review the rebuttal testimony of Mr. Singletary on behalf of CUB?**

3   A     Yes, I did.

4   **Q     Is CUB’s response to your proposal in this case generally supportive?**

5   A     Yes. Mr. Singletary, indicates that he and CUB are generally supportive of my testimony  
6         in favor of greater voluntary utility spending on such programs.<sup>6</sup> He also finds that my  
7         proposed performance incentive mechanism (PIM) could be combined with his  
8         recommendations for a revised return on equity framework even though the  
9         Commission’s investigation into performance-based ratemaking is ongoing.<sup>7</sup> However,  
10        Mr. Singletary raises concerns with revenue decoupling.<sup>8</sup>

11 **Q     Does Mr. Singletary misinterpret your proposal as it relates to revenue decoupling?**

12 A     Yes. Mr. Singletary states that I appear to suggest that revenue decoupling be  
13         implemented.<sup>9</sup> This is not the case. On page 33 of my testimony, I explain the common  
14         tools that are available to remove a utility’s disincentive to invest in energy efficiency.<sup>10</sup>  
15         One of those tools is decoupling, but I do not recommend or propose that it should be  
16         adopted in this proceeding or included as part of the pilot PIM. As stated on page 34 of  
17         my direct testimony, I clearly state that I recommend “one” of these tools in this  
18         proceeding and that is a pilot PIM.<sup>11</sup>

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<sup>6</sup> Rebuttal-CUB-Singletary-8.

<sup>7</sup> *Id.* -8-9.

<sup>8</sup> *Id.* -9.

<sup>9</sup> *Ibid.*

<sup>10</sup> Direct-Clean Wisconsin-Lane-33.

<sup>11</sup> *Id.*-34.

1           **Response to Commission Staff**

2   **Q     Did you review the rebuttal testimony of Commission Staff witness Horrie?**

3   A     Yes, I did.

4   **Q     Does Mr. Horrie provide clarification related to your proposal?**

5   A     Yes. Witness for Commission Staff, Mr. Horrie, provides clarification that Focus does  
6         not currently claim savings for all active utility voluntary programs. He explains that  
7         Focus only claims savings when the voluntary program budgets are used to provide  
8         incentives that are in addition to what a customer receives from participating in a Focus  
9         offering (i.e., a bonus incentive). He indicates that Focus does not claim savings for  
10        voluntary programs where budgets are used to extend the reach of a Focus program after  
11        the statewide Focus funds have been exhausted.<sup>12</sup>

12 **Q     Would you like to respond to this clarification?**

13        Yes. First, I appreciate the clarification provided by Mr. Horrie. Second, because the  
14        purpose of my proposal is for the additional funds to go towards creating energy  
15        efficiency savings that are incremental to what can be achieved with the existing  
16        statewide Focus budgets, Focus would not be able to claim savings from the resulting  
17        program participants.

18 **Q     Does this conclude your testimony?**

19 A     Yes, it does.

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<sup>12</sup> Rebuttal-PSC-Horrie-2-6.