

POWER REPORT

March 2012

what's inside

- 2..... From the CEO
- 2..... WPPI Energy News in Brief
- 3-4..... Member Spotlight: Plymouth, WI
- 5..... Member News
- 5..... State Updates
- 6..... Commercial & Industrial News
- 7..... Datebook: Spring
- 8..... Ask the Experts

members

Wisconsin	Mount Horeb	Wausaukee
Algoma	Muscoda	Waupun
Black River Falls	New Glarus	Westby
Boscobel	New Holstein	Whitehall
Brodhead	New London	
Cedarburg	New Richmond	Michigan
Columbus	Oconomowoc	Alger Delta CEA
Cuba City	Oconto Falls	Baraga
Eagle River	Plymouth	Crystal Falls
Evansville	Prairie du Sac	Gladstone
Florence	Reedsburg	L'Anse
Hartford	Richland Center	Negaunee
Hustisford	River Falls	Norway
Jefferson	Slinger	
Juneau	Stoughton	Iowa
Kaukauna	Sturgeon Bay	Independence
Lake Mills	Sun Prairie	Maquoketa
Lodi	Two Rivers	Preston
Menasha	Waterloo	

WPPI Energy is a regional power company serving 51 consumer-owned electric utilities. Through WPPI Energy, these public power utilities share resources and own generation facilities to provide reliable, affordable electricity to more than 195,000 homes and businesses in Wisconsin, Upper Michigan and Iowa.

Local Utilities Provide Local Value

Municipally owned electric utilities are community assets that operate in the public interest for the benefit of residents and businesses in the community. Each of WPPI Energy's 51 member communities is not-for-profit and locally owned and operated. These utilities are an integral part of their communities and have a mission of providing safe and reliable electricity at a reasonable price.

The strength and value of these utilities lies in their ability to focus solely on serving their customers and their communities. Locally governed utilities match resources to meet local needs, providing a range of energy-efficiency and other customer programs, services and incentives.

Local control also means that customers receive great service from their friends and neighbors – people who have extensive knowledge of the local electric system and can respond rapidly to local needs. All decision making, from operational issues to power supply decisions, is made at the community level, by elected and appointed officials who are residents of the community and familiar with utility operations and services.

In each community, the local electric utility is a valuable local business that brings jobs and tax base to the community that would not otherwise exist. The revenue generated by each utility stays in the community, supporting the local economy. Profits are not sent off to shareholders in remote locations but returned to each community through necessary investments in electric infrastructure within the city or village.

The value of local ownership of electric utilities continues to shine through in each of WPPI Energy's 51 member communities. The strength of public power – local control, excellent service, a responsive staff and deep commitment to community – brings value to each local community, making public power communities great places to live and work. Learn more at www.whypublicpower.org.



Support for Local Causes

WPPI Energy's 51 member utilities add value to their communities by contributing to worthy local causes. In 2011, more than \$203,000 was donated to local charities, community causes and efforts to encourage energy savings within the community, reinforcing the value of public power for each community. More than \$1.8 million has been contributed since 1998.



As you have likely heard, considerable attention is being given to the United States Environmental Protection Agency's (EPA) implementation of new pollution regulations. Like all utilities, WPPI Energy and its members are carefully focused on these rules and their potential impact.

As not-for-profit utilities, we exist solely for the benefit of the communities we serve. We are dedicated to making our communities great places to live and work, and this includes a commitment to cost-effectively reducing pollution in order to protect the health and environmental well-being of our neighborhoods. On behalf of our member utilities, WPPI Energy has been preparing for these regulations for a number of years.

We have significantly lowered our emissions through our recent purchase of carbon-free energy from the Point Beach Nuclear Plant, our already diverse mix of renewable resources, and the recent completion of the Elm Road Generating



Point Beach Nuclear Plant.

Station. Not only does a shift to these cleaner resources benefit the environment through reduced emissions, it also helps limit the future economic impact of the new regulations on our members' customers.

While our power supply decisions have ensured that we are better prepared than most in the Midwest, we do see some areas of caution. The new regulations will require the retrofitting or retirement of up to 50,000 megawatts of existing Midwestern coal-fired generating capacity. It will be important to manage the impacts on the reliability of our regional grid while

simultaneously taking a significant number of plants offline within a short compliance timeframe. Compliance with the regulations also will put upward pressure on energy prices in the Midwest market.

Furthermore, the final outcome of EPA's regulatory efforts is not yet clear. Some rules are being contested in court, while others have yet to be finalized. As a result, with a planning horizon of at least six years to develop any major new baseload generating plant, we also face a fair amount of uncertainty when it comes to selecting the best, most cost-effective resources for our future.

Despite this uncertainty, what remains absolute is our member utilities' commitment to good stewardship of both our environment and our economy. We are actively engaging the EPA and Congress to advocate for responsible environmental policy that includes reasonable reliability and cost protections, and we will continue making smart resource decisions for the long-term benefit of our communities.

QUICK TAKES

WPPI Energy News in Brief

CapX2020 Hampton-Rochester-La Crosse 345 kV Project

WPPI Energy is one of 11 transmission-owning utilities that have proposed a major upgrade to the region's transmission system under the CapX2020 joint initiative. The CapX2020 initiative includes several transmission lines that will be built to expand the electric transmission grid, ensuring continued reliable and affordable service. The Hampton-Rochester-La Crosse 345 kV line, which would cross the Mississippi River into Wisconsin at Alma, is one of these projects. The 150-mile line is targeted to go into service in 2015. Construction would start after regulatory approval from the Minnesota Public Utilities Commission and the Public Service Commission of Wisconsin, granted only after a rigorous public process considering need and route.



leaders about the value of public power. On February 15, the Municipal Electric Utilities of Wisconsin held the eighth Annual Municipal Legislative Day at Wisconsin's State Capitol. Utility managers, employees and local officials gathered to listen to state officials share insights into the legislative process and to advocate regarding issues that impact municipal utilities. At the beginning of March, the annual Iowa Water Conference presented an opportunity to create greater awareness of Iowa urban and agricultural water issues through sustainable watershed managements. Several rallies and meetings at the state and federal level will continue throughout the year and WPPI Energy members will continue advocating for energy policies that balance the needs to preserve the environment, ensure a secure energy future, and mitigate costs for consumers.

Subscribe Online

If you would prefer to receive *Power Report* by e-mail, simply send your request to PowerReport@wppienergy.org. Include your name, organization and mail address, and you'll be added to the electronic distribution list.

Advocacy Efforts to Support Public Power Continue

Members across the WPPI Energy system continue to educate key stakeholders, community members and newly elected



MEMBER SPOTLIGHT

Plymouth, Wisconsin

plymouth, wisconsin fast facts

Counties: Sheboygan,
Fond du Lac

Number of Customers: 7,864

Member Website:
www.plymouthutilities.com

Did you know:

- Plymouth Utilities traces its roots back to 1895, when Plymouth Refrigerator, Water, Light and Power Company began generating electricity for a few people from a water-powered mill.
- In 1900, the city granted a franchise to W. H. Wheeler Company of Beloit, Wis. to construct a waterworks and lighting system. When the system was complete in 1901, the city took over and established the Plymouth Water and Light Commission. The commission produced electricity from a coal-fired plant until 1923, when the decision was made to purchase electric power from Eastern Wisconsin Electric Company of Sheboygan, Wis., now known as Alliant Energy.
- In 1932, the city constructed its first wastewater treatment plant, and in 1959, transferred the operation of its sewage utility to Plymouth Utilities.

WPPI Energy member since 2001.



Plymouth Utilities' new operations center at 900 CTH PP. The facility is scheduled to open in May 2012.

A Rich Tradition

Established at the turn of the 20th century, Plymouth Utilities has a rich history of serving homes and businesses in the community. While a lot has changed over the years, Plymouth Utilities is still focused on providing reliable power and excellent service. Today, Plymouth Utilities provides dedicated electric service to more than 7,800 homes and businesses in the City of Plymouth and parts of 10 surrounding townships including Forest, Greenbush, Herman, Lyndon, Mitchell, Osceola, Plymouth, Rhine, Scott and Sheboygan Falls. Water and wastewater service is provided to the City of Plymouth.

Proclaiming the Value of Local Leadership

Plymouth Utilities is an integral part of the community and the city understands firsthand the value of its public power municipal utility. In 2010, the City of Plymouth actively studied the question of whether to retain or sell its electric utility. After a review and assessment of the utility's value, the Plymouth Common Council passed a resolution saying it had decided to continue to own and operate the 7,800-meter municipal utility. The city leaders clearly understood the value of public power to their community

and were not willing to give that up in exchange for a short-term cash infusion. Plymouth reviewed the long-term costs to customers and the community and recognized the value of local ownership and local control.

Valuable Residential Programs and Services

Through Plymouth Utilities' energy-saving opportunities for homes, residential customers have access to a wide array of conservation programs. Residential customers are able to take advantage of cash rebates for shade trees and receive rebates on an air conditioner tune-up performed by a professional service technician. The utility also offers ENERGY STAR® appliance rebates. Plymouth Utilities' customers can also analyze the energy efficiency of their homes by utilizing an online tool to review scenarios that will help them save energy and money. In addition, the utility's partnership with Focus on Energy provides access to cash-back rewards on the purchase of energy-efficient equipment and products. Focus on Energy also offers incentives and free collection and recycling services to residential customers who give up qualifying older, working appliances such as refrigerators and freezers.

continued on next page

Plymouth, Wisconsin

Lasting Efficiency Improvements for Business

Plymouth Utilities is accustomed to helping large customers save energy, reduce costs and become more energy efficient. Sargento Foods recently added a 20,000 square-foot refrigerated warehouse to store its cheese products and with the utility's help, realized it could save big by expanding its existing ammonia system and adding variable frequency drives to its evaporator fans. Efficiency improvement funding from Plymouth Utilities and WPPI Energy helped pay for 27 percent of the incremental project costs, with a payback estimated at 2.7 years. Sargento Foods also added a 70,000 square-foot office addition, saving an additional 340,000 kilowatt-hours (kWh) through incremental efficiency measures. Sargento Foods collaborated with a team of energy experts to take advantage of technical and design assistance, as well as financial incentives, during construction of the office addition.

Piggly Wiggly is another business that has benefitted thanks to Plymouth Utilities' energy-saving programs and services. The utility helped Piggly Wiggly stretch its energy dollar by upgrading the store's refrigeration case lighting, refrigeration fan motors and anti-sweat heaters, helping keep store perishables cold and lighting in store aisles more efficient. The store was able to take advantage of funding through Plymouth Utilities, which provided advance payment to cover the purchase and installation costs of the project. Additional funds were covered with prescriptive incentives from Focus on Energy.

Helping Local Schools

Plymouth Utilities has also made significant strides to improve the management of energy use and control costs in existing and planned school facilities. All of the schools in the Plymouth School District have an energy-saving policy in place and have benchmarked energy use and conducted energy audits to improve facility operations and efficiencies. Plymouth Utilities has also worked with the Plymouth School District on several energy-saving projects to decrease energy use. The high school recently increased the efficiency of the motors on its hot-water pumps by installing variable frequency drives. Lighting upgrades have also been implemented district-wide. The utility

also routinely sponsors energy education performances by the National Theatre for Children and provides programs for local teachers to inform students and the community about energy issues through the K-12 Energy Education Program (KEEP).



Plymouth Utilities' 24,900 square-foot garage facility. The garage can hold up to 30 vehicles and will be heated with a geothermal in-floor radiant heating system and lit with Orion's energy-efficient 32-watt, T8 motion sensor equipped light fixtures.

Walking the Talk with the New Utility Operations Center

In 2011, Plymouth Utilities broke ground for its new utility office and operations building. The 50,477 gross square-foot facility will be built on a 19-acre site located on the city's south side. The new operations center will consolidate the utility's various office, garage and warehouse facilities from three other locations into one single location. Plymouth Utilities will also upgrade its distribution control, customer information service/billing, and automated meter reading systems. The supervisory control and data acquisition system will run on fiber optic and broadband over a powerline system. The utility was also able to utilize technical and

design assistance from WPPI Energy during construction of the facility.

The new building will incorporate a number of energy-efficiency and conservation features, including the use of geothermal for heating and cooling and the installation of LED and fluorescent high-performance lights. Plymouth Utilities' building will also feature two freestanding 12 by 15 foot solar panels north of the building, between the facility and the storm water retention pond, capable of producing approximately 27 kWh per day. Renewable energy technologies, like the solar demonstration project at the utility office and operations building, present an excellent opportunity to educate community members about the operations of renewable technologies.

Reliable Hometown Service

Plymouth Utilities is a community owned, customer driven utility dedicated to providing quality and reliable service at an affordable cost. Local ownership has allowed Plymouth Utilities to be responsive to the needs of customers, providing programs and services that have value for customers large and small, and the utility continues to be a valuable asset to the community.

MEMBER NEWS

• On Dec. 7, 2011, **Kaukauna Utilities** hosted an open house for its Badger Hydro project. The event featured a presentation on the recommended replacement of the 100-plus-year-old hydroelectric plant. Attendees also had the opportunity to visit various stations in order to learn about the history of and issues associated with the hydro units, options for the plant's future, financing, and more.



Old Badger and New Badger Hydro.

• **Baraga, L'Anse, Crystal Falls, Gladstone, Negaunee and Norway** have officially joined Efficiency United – the statewide, multi-utility program for offering energy-efficiency programs and services to residents and businesses in Michigan. As a result, customers of these utilities will have access to energy conservation and optimization services, including customer service, educational tools, retail and contractor partnerships, rebates on new products and equipment, and more.

• In 2011, **Florence, Kaukauna, Lake Mills, Menasha, New Richmond, Oconomowoc, Richland Center and Stoughton**



Stoughton Utilities' plug-in hybrid electric utility line truck.

received grant funding for alternative-fuel and advanced technology vehicles via the Wisconsin Clean Transportation Program. These members used the funds to purchase medium- to heavy-duty hybrid and plug-in hybrid utility line trucks in their communities.

Public power has a rich history, dating back 100 years or more in many WPPI Energy communities. Several WPPI Energy members are celebrating milestone anniversaries in 2012:

- Alger Delta – 75 years
- Hartford – 115 years
- Hustisford – 75 years
- Kaukauna – 100 years
- Lodi – 105 years
- Muscoda – 105 years
- New Glarus – 110 years
- New Holstein – 100 years
- Norway – 105 years
- Oconto Falls – 80 years
- Preston – 90 years

STATE UPDATES



According to the American Council for an Energy-Efficient Economy (ACEEE), Michigan is one of the most improved states in the country for energy efficiency in the past year, as ranked by the ACEEE's 2011 State Energy Efficiency Scorecard. The scorecard recognizes leadership in energy-efficiency policy and program implementation. Michigan jumped from 27th to 17th in ACEEE's state scorecard rankings from 2010 to 2011.

Governor Rick Snyder appointed John D. Quackenbush to serve as chair of the Michigan Public Service Commission on Sept. 15, 2011. Quackenbush will serve a six-year term expiring July 2, 2017.



Governor Terry Branstad was presented with the Iowa Association of Municipal Utilities' Public Service Award in recognition of his support of municipal utilities in Iowa with his stance on Reciprocating Internal Combustion Engine (RICE) regulations. The governor vetoed adoption of the rule by the Iowa Department of Natural Resources in April 2011, deeming it too costly for Iowa's utilities and their customers.



Governor Terry Branstad.



WPPI Energy welcomes Lisa Miotke, energy services representative serving Menasha, New London and Oconto Falls.

At the 2011 December Board of Directors meeting, WPPI Energy welcomed guest speaker Ellen Nowak, commissioner of the Wisconsin Public Service Commission (PSC).

Wisconsin's nonpartisan Legislative Audit Bureau delivered a positive assessment of the Focus on Energy program late in 2011. The audit concluded that utility ratepayer money is well spent on energy-efficiency programs, delivering a return of \$2.30 for every dollar invested. Auditors agreed with estimates by the Wisconsin PSC and independent evaluators that benefits achieved by the Focus on Energy program outweighed the costs.



Lisa Miotke, (920) 254-8931, lmiotke@wppienergy.org.



Ellen Nowak.

The Local Resource for Energy Services

Did you know WPPI Energy has a staff of energy experts who can help your business control energy costs and make the most of your energy dollar? WPPI Energy's expert team of energy service representatives (ESRs) is committed to helping your business save and use energy more efficiently.

Each ESR serves as a consultant within an assigned group of WPPI Energy member communities, managing the delivery of various customer services, programs and marketing initiatives to support the member utility's customer and community relationships. Through the ESR program, the membership of WPPI Energy ensures that each community served has a representative in place to help the utility and customers get the most out of the cost-saving programs and services available. These consultants work with local business customers to identify appropriate utility programs and services that will help meet current and future



WPPI Energy's team of energy service representatives is committed to helping your business save and use energy more efficiently.

energy needs, focusing in the areas of energy management. ESRs help you understand where energy is used and potentially wasted in your business, and find ways to help you control electric costs and monitor progress on energy-related products.

By working closely with your ESR, your business can access a variety of energy management programs and services that will help reduce costs, improve productivity and enhance operational efficiencies. Your utility representative can also provide cost-effective energy-efficiency resources and identify financial incentives and financing opportunities to help your business overcome

initial cost barriers often associated with implementing energy-saving measures.

Contact your WPPI Energy member utility for more information about how your local ESR can answer your energy questions.

Helping Your Facility Reach Peak Performance

What comes to mind when you think about a tune-up: fixing your car, or inspecting your furnace? Did you know buildings also need tune-ups? Most buildings are often not performing as designed or intended and therefore, not meeting operational needs. A tune-up of any sort involves an adjustment made to improve working order and operations to maximize efficiency. Just like a car or a furnace, a building tune-up will help guarantee proper operation and performance.

A building tune-up helps identify ways for systems and equipment to work together better. The tune-up frequently results in the identification of low- and no-cost measures to improve operations and reduce energy consumption, and many measures come with a short economic payback time. Common improvements include:

- Re-calibrating digital thermostats
- Replacing and upgrading lighting systems
- Matching system set points
- Operating existing facility systems at reduced settings or loads

- Reducing runtime of systems and installing occupancy-based or weather-based controls



Sun Prairie's Energy Management Team worked with Focus on Energy to identify facility improvement measures at the Sun Prairie City Hall.

A building tune-up can provide benefits including enhanced occupant comfort, increased energy efficiency, reduced operating and maintenance costs, decreased energy bills and more.

In Wisconsin, your WPPI Energy member utility offers similar services for commercial, school and government facilities through Focus on Energy. In WPPI Energy member municipalities in Michigan,

participation in the state's Energy Optimization program or partnership with Efficiency United enables customers to take advantage of custom programs and incentives tailored to meet facility-specific operation and process needs. Customers of WPPI Energy member utilities in Iowa have access to similar opportunities through their local utilities. Contact your local WPPI Energy member utility or energy services representative for more information on how your business can benefit from facility improvements through a building tune-up project.



Sun Prairie's Energy Management Team (L to R): Interim City Administrator, Margaret Powers; City Planner, Tim Semmann; Energy Services Representative, Tamara Sondgeroth; Director of Buildings and Code Enforcement, Dennis Allen; Sun Prairie Utilities Manager, Rick Wicklund.

DATEBOOK: *Spring*

WPPI Energy and its 51 members in Wisconsin, Upper Michigan and Iowa sponsor and provide support for energy education conferences and technical workshops benefiting commercial and industrial utility customers. Mark your calendars for these upcoming dates:

Demand Control: Your Action Plan to Savings

The Energy Center of Wisconsin | www.ecw.org/university

- April 3, 2012 | Eau Claire, Wis.
- April 4, 2012 | Rothschild, Wis.
- April 5, 2012 | Green Bay, Wis.

Energy Efficient Lighting: From Principles to Payback

The Energy Center of Wisconsin | www.ecw.org/university

- April 17, 2012 | Eau Claire, Wis.
- April 18, 2012 | Fond du Lac, Wis.

Iowa Renewable Energy Training Center Open House

Iowa Renewable Energy Association
www.irenew.org/Calendar.html

- April 17, 2012 | Hiawatha, Iowa
- May 15, 2012 | Hiawatha, Iowa
- June 19, 2012 | Hiawatha, Iowa
- July 17, 2012 | Hiawatha, Iowa

Practical Energy Management® – Commercial

Focus on Energy | www.focusonenergy.com/training

- April 19, 2012 | Milwaukee, Wis.
- May 1, 2012 | Eau Claire, Wis.

Practical Energy Management® – Schools and Government

Focus on Energy | www.focusonenergy.com/training

- April 25, 2012 | Appleton, Wis.
- May 10, 2012 | Milwaukee, Wis.

Practical Energy Management® – Industrial

Focus on Energy | www.focusonenergy.com/training

- April 26, 2012 | Appleton, Wis.
- May 3, 2012 | Madison, Wis.

Understanding and Managing Electrical Power Quality

The Energy Center of Wisconsin | www.ecw.org/university

- May 1, 2012 | Wauwatosa, Wis.
- May 2, 2012 | La Crosse, Wis.

Preventive Operations and Maintenance Best Practices – School and Government

Focus on Energy | www.focusonenergy.com/training

- May 3, 2012 | Kenosha, Wis.
- May 15, 2012 | Eau Claire, Wis.



BRINGING SAVINGS TO BUSINESSES

Your local utility's membership in WPPI Energy gives you access to energy solutions that save money, boost productivity, and reduce maintenance costs. You also have access to financial incentives and grants for implementing energy-efficiency projects.

Exceptional Service and Affordable Rates

All decisions made by your local utility, from operational issues to power supply decisions, are geared to keeping rates low for customers. Plus, you can count on great service from friends and neighbors—people who have expert knowledge of the local electric system and local needs.

Let us help you see the savings.

Contact your local Energy Services Representative today to find out which energy solutions can help your business save energy and improve the bottom line.



Ask the Experts

Q: *My local utility says it works through “joint action.” What does that mean?*

A: If you live or do business in a WPPI Energy member community, your utility has joined with 50 other like-minded utilities. They jointly own WPPI Energy which enables them to share resources, own power plants, and provide excellent customer services. Through WPPI Energy, communities accomplish together what would be expensive and difficult to do alone.

A Valuable Power Supply Portfolio

Together, WPPI Energy’s member municipalities own our not-for-profit company with a valuable portfolio of generation assets. This benefits you because your community owns – rather than simply purchasing power from – large, cost-effective power plants, such as Boswell Unit 4 and the Elm Road Generating Station, that provide electricity to your community around the clock.

Economies of Scale

By pooling needs, WPPI Energy members also reduce the cost of purchasing electricity from other entities. Examples include our recent agreement to purchase carbon-free energy from the Point Beach Nuclear Plant, as well as our diverse mix of renewable power.

Excellent Services

Backed by the strength of 51 utilities, each WPPI Energy member provides local energy-efficiency programs and other services on

par with those of larger utilities—all on a not-for-profit basis. WPPI Energy members share their expertise and resources to provide these programs. Working together saves energy and money, keeping the savings in customers’ pockets and in the local economy.

Local Control

Ownership of member-governed WPPI Energy means that your community has a place at the decision-making table. Each member community has a seat on the company’s Board of Directors, shaping our efforts in a way that best suits our communities’ needs.

Preserving Local Value

Your local utility is a viable and valuable business, providing local jobs and tax payments that wouldn’t otherwise exist. Joint action through WPPI Energy helps ensure the staying power of your local utility, preserving and protecting this value for the long term.

Your Questions Answered – Have a question you’d like answered by one of WPPI Energy’s experts? E-mail your inquiry to PowerReport@wppienergy.org.

Mike Stuart, Chief Operating Officer for WPPI Energy
(608) 834-4556, mstuart@wppienergy.org



 Printed on recycled paper

PRSR1 STD
US POSTAGE
PAID
MADISON WI
PERMIT #2783

1425 Corporate Center Drive
Sun Prairie, WI 53590

The way energy should be

