

New Power Resource Strengthens Portfolio

WPPI Energy recently added an important new resource to its portfolio by entering into a purchased power agreement with Chicago-based Invenergy Nelson LLC to purchase 15.6% of the output from a combined-cycle natural gas facility under construction in Lee County, Illinois.

Construction on the 584-megawatt (MW) Nelson facility will be completed in 2015. WPPI Energy's 20-year contract to purchase 15.6% of the output – effectively 90 MW – begins on June 1, 2017.

The power purchased from the Nelson facility will replace a similar amount of power purchased from a facility in Kendall County, Illinois, under a contract that expires in June 2017.

“The new contract with Invenergy provides excellent value for our members,” said President and CEO Mike Peters. “As a joint action agency, we’re able to take advantage of well-timed opportunities like this that will help control costs for years to come.”

WPPI Energy's power supply portfolio is comprised of several different resources. Elm Road Generating Station in Wisconsin and Boswell Unit 4 in Minnesota are among WPPI Energy's owned generation facilities. These baseload resources provide long-term reliability and stability.

Purchased power agreements, or PPAs, are contracts that add flexibility. A mix of longer-term contracts, such as the Nelson contract, will reduce the monthly volatility between WPPI Energy's forecasted and actual costs and contribute to WPPI's resource diversity. Relying on a mix of energy sources reduces the impact of market fluctuations in fuel prices and changing regulatory requirements.

The Nelson Energy Center, under construction in Illinois, will be a new energy resource for WPPI Energy communities beginning in 2017.



Cities Maintain National Recognition for Renewables

Two WPPI Energy member communities earned national renewable energy recognition again this year.

Waterloo Utilities earned recognition from the U.S. Department of Energy's National Renewable Energy Laboratory (NREL) for the fourth time in 2014. Waterloo led the nation in percentage of electricity sales as renewable energy, at 23.8%.

River Falls Municipal Utilities (RFMU) was among the top 10 in the nation for customer participation in renewable energy programs, with 5.7% of customers. This places

the community among cities such as Palo Alto and Sacramento, Calif., Portland, Ore., and Madison, according to NREL.

RFMU also ranks fourth in the nation for green power sales as a percentage of total retail electricity sales, at 74%. This is the eighth time River Falls has earned NREL honors.

The utility lists on its website the businesses that participate in its Green Power for Business Program and provides each with a window cling to share their commitment with customers.

➔ *More businesses are buying the benefits of green power, page 6.*

EPA Releases Draft Rule on CO₂ Emissions

In June, the Environmental Protection Agency (EPA) released its draft rule establishing limits on carbon dioxide (CO₂) emissions from existing power plants. The rule will have a significant impact on the electric utility industry and will be the focus of considerable attention by WPPI Energy staff in the coming months and years.

As an organization, WPPI Energy should be well-positioned to comply with a rule that limits CO₂ emissions. Since 2005, we've reduced our CO₂ emissions by more than 23%. However, we are concerned that the EPA rule, as proposed, would generally fail to recognize such early action. In fact, by assigning state-by-state emission reduction requirements using a baseline year of 2012, the proposed rule often requires deeper cuts by states that have taken early action than by states that have not. Wisconsin, for example, would be expected to reduce its CO₂ emission rate by more than 34% by 2030. Minnesota, which is home to WPPI's Boswell coal plant, would be required to reduce emissions by more than 40%. North Dakota, by contrast, would need to make a reduction of less than 11%.

The final regulations will be shaped by input throughout the rulemaking process, along with anticipated legal challenges. WPPI Energy will remain actively engaged with other stakeholders, including utilities, regulators and environmental organizations.

We believe in a balanced approach to protecting the environment without placing an unfair economic burden on the 200,000 homes and businesses WPPI Energy members collectively serve in Wisconsin, Iowa and Michigan. That's why we're advocating for sound energy and environmental policy that puts customers first.

FROM
THE CEO



Michael W. Peters
President/CEO

WPPI ENERGY NEWS IN BRIEF

ESRs Earn CEM Credentials

Two WPPI energy services representatives have earned the Certified Energy Manager (CEM) credential from the Association of Energy Engineers (AEE). They are Frank Barth, who works in Two Rivers, New Holstein and Plymouth, and James Schwingle, who serves customers in Boscobel, Muscoda, Richland Center and Westby. Individuals granted the use of this designation by AEE have distinguished themselves as earning the highest level of competency in optimizing the energy performance of facilities, buildings or industrial plants.

189 Attend Regional Dinners

The ever-changing electric utility industry landscape will present significant opportunities and challenges for municipal utilities in the years to come – issues that as a joint action agency, WPPI Energy can help address.

That was one of the key takeaways from a series of seven Regional Power

Dinners held in Wisconsin, Michigan and Iowa this spring, attended by 189 commissioners, council and village board members, utility staff and others from 42 member communities.

WPPI Energy hosts the events every other year to discuss timely organizational and electric industry issues with member utility staff, elected officials and utility governing bodies.

Annual Meeting Planned

WPPI Energy's Annual Meeting, *Meeting Today's Challenges Together*, is planned for September 11-12 at the Kalahari Resort in Wisconsin Dells. Speakers will include Sue Kelly, CEO of the American Public Power Association; Dr. Scott Tinker, director of the Advanced Energy Consortium and director of the Bureau of Economic Geology at the University of Texas at Austin; and Mark Beauchamp, president, Utility Solutions, LLC.

WPPIenergy POWER REPORT

WPPI Energy is a regional, not-for-profit power company serving 51 locally owned electric utilities. Through WPPI Energy, these public power utilities share resources and own generation facilities to provide reliable, affordable electricity to 200,000 homes and businesses in Wisconsin, Upper Michigan and Iowa.

To make mailing list changes or to subscribe via email, send a message to powerreport@wppienergy.org.

Member Spotlight: Sturgeon Bay, Wisconsin

Sturgeon Bay Utilities (SBU) is celebrating 110 years in 2014 as a locally owned, not-for-profit electric, water and wastewater utility in Wisconsin's Door County.

It's one of many noteworthy distinctions about Sturgeon Bay, a city of about 9,100 that is surrounded by water on three sides: Green Bay, Sturgeon Bay and Lake Michigan.

The waterfront showcases the city's maritime past and present. On display are many of the barges, dredges and thousand-footers that Bay Shipbuilding builds and repairs. Near the Michigan Street Bridge, workers put the finishing touches on a luxury yacht crafted by Palmer Johnson. The historic ocean-going tug John Purves is open for tours outside the Door County Maritime Museum.

A sign at Sawyer Park and special flags proclaim Sturgeon Bay the nation's 15th Coast Guard City. The city is home to



A historic fire boat is on display near the Michigan Street Bridge.

three Coast Guard detachments, bringing many service members and their families to the community.

First settled in 1835, Sturgeon Bay's economy originally was based on lumbering before the canal linking Green Bay with Lake Michigan opened to shipping in 1881.

Today the city has a solid manufacturing base in addition to shipbuilding. Machining companies, metal fabrication and plastic injection molding businesses employ hundreds, and the industrial park is expanding.

SBU General Manager Jim Stawicki participates in regular meetings of the Door County Economic Development Corporation and the Door County Manufacturers Association.

"When you look at our load here, we're pretty balanced. Just over 30% of our load is manufacturing and industrial. A third is commercial and general service, and another third is residential," said Stawicki, who has been at SBU for 10 years.

The utility serves the city and four

surrounding townships, covering about 100 square miles – much of it rural – and is governed by a seven-member commission.

"Our city recognizes that it's nice to own your own utility – for competitive rates, local control and from a payment-in-lieu-of-tax (PILOT) standpoint," Stawicki said. SBU contributes a PILOT payment of about \$750,000 a year to the city.

Meeting Customer Needs

Tourism is a year-round business for Sturgeon Bay, which attracts visitors to its museums, galleries, theaters, shops, restaurants, water activities and events such as the Steel Bridge Songfest.

The city's thriving small business segment prompted staff at Sturgeon Bay Utilities to develop the Main Street Efficiency Program. The program's goal is to help business owners identify efficiency projects and to provide limited-time bonus incentives – in addition to those offered through the statewide Focus on Energy program – to ensure that projects are completed in a timely way. Energy Services Representative Melissa Moren sends a mailing to target customers,

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STURGEON BAY FAST FACTS

County: Door

Number of customers:
8,634 electric and water

Member website:
www.sbunet.com

Did you know?

- Sturgeon Bay's Harvest Festival & Street Art Auction is planned for September 20.
- Door County has five state parks and 250 miles of shoreline along Lake Michigan – more than any other county in the country.
- WPPI Energy member since 1980.

followed by phone calls and personal visits.

Residential customers benefit from rebates and incentives available from SBU and Focus on Energy.

Renewable energy incentives have been popular as well. “We have a green-minded community here,” Stawicki said. A local business has installed solar panels for several homeowners, and SBU’s solar buyback program is fully subscribed. To date, SBU has sponsored two community-based renewable energy projects: solar panels at the high school and three flower-shaped Solar Flairs™ outside the utility office and fire station. The utility also worked with Crossroads at Big Creek, a history and environmental learning center, on their solar installations.

The transition to advanced metering infrastructure (AMI) is SBU’s biggest initiative in 2014. So far, 55 customers are on the Large Power Metering & Billing Service offered by WPPI Energy. Going forward, the utility will install Elster AMI water and electric meters for all customers to replace aging technology. Installation begins in August with the utility’s approximately 3,000 residential meters in the city, with full deployment planned for summer 2015.

In recent years, SBU has focused on building a new substation and installing



Crossroads at Big Creek, an educational center in Sturgeon Bay, installed a solar array and collector with technical support from the utility.

new transformers to enhance reliability, given that the community is bisected by water.

“We’re probably the only community in the WPPI Energy system that is fed at one of our substations by submarine conductor from the transmission system. We needed redundancy on both sides of the bay, and we only had one substation on the east side,” Stawicki explained.

Spirit of Joint Action

Stawicki has been the utility’s general manager for a decade. He started his career in public accounting, working with manufacturing clients for a large firm in Milwaukee. He and his wife, Tina, returned to her hometown of Sturgeon

Bay for his new accounting job with a shipbuilding firm, followed by a similar position at a machining company.

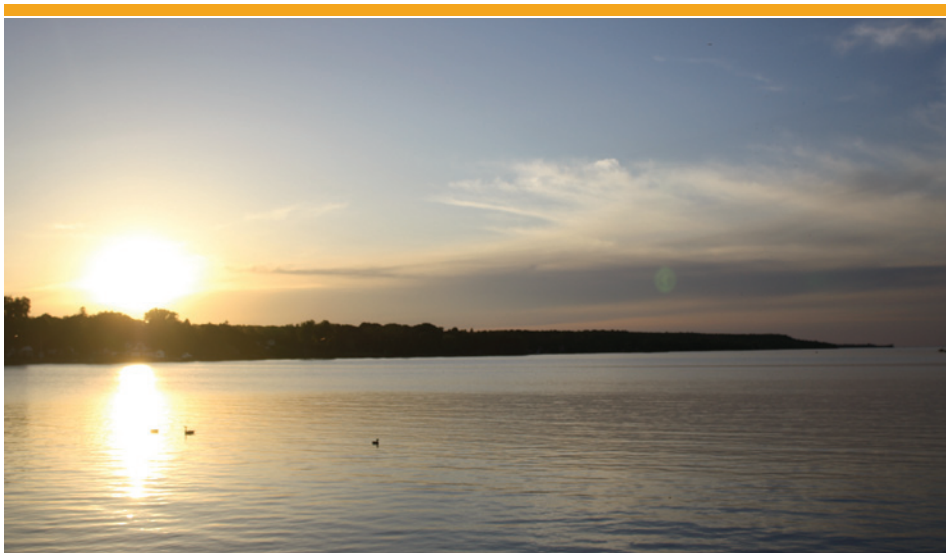
He’s learned the utility business from the colleagues he has gotten to know through WPPI Energy and his staff. “It’s like any organization: You surround yourself with good people and let them do their jobs,” he said.

The utility has 21 employees, plus additional contractors on the water side. Dorothy Michiels, a 27-year employee, serves as the public face of the utility as the one who most often interacts with customers.

With a young electric crew – ranging in age from early 20s to early 40s – SBU has brought back its annual summer picnic, complete with a bounce house for the many young children.

Stawicki has served on the WPPI Energy Board of Directors throughout his tenure. He joined the Executive Committee in 2006, serves as the chair of the Personnel Committee and the Benefit Plan Trust Board, and has participated in the American Public Power Association’s Legislative Rally.

“In the spirit of joint action, it makes sense for me to give back to the entity that supports us in so many ways – and to have a say in the organization. It’s common sense and good management,” he said.



The sun sets over the waterfront near Michigan Street Bridge.

MEMBER NEWS

Three Re-Earn RP3 Designation

Three WPPI Energy member utilities have re-earned the national designation of Reliable Public Power Provider (RP3®) from the American Public Power Association (APPA) for 2014. **Kaukauna Utilities, Menasha Utilities and Stoughton Utilities** earned the three-year designation through a thorough application process.

Four members – **Evansville Water & Light Department, City Utilities of Richland Center, River Falls Municipal Utilities** and **Two Rivers Water & Light** – hold an existing RP3 designation.

To earn RP3 status, utilities must complete and extensive application and meet criteria in reliability, safety, workforce development and system improvement.

Manager Earns Recognition

Todd Tessmann, utility manager at **Hustisford Utilities**, has received the APPA Larry Hobart Seven Hats Award. The award recognizes managers who perform a variety of duties in communities of 2,500 or fewer electric meters. Recipients have demonstrated accomplishments in planning and design, administration, public relations, field supervision, accounting, human resources, and community leadership.



Oconomowoc Honored for Service

Oconomowoc Utilities received the APPA Community Service Award. This award recognizes “good neighbor” activities that demonstrate the commitment

of the utility and its employees to the community.

Kaukauna Honored for Education

A joint effort to educate young people about using energy and water wisely has earned **Kaukauna Utilities** an award from the National Hydropower Association.

The utility is one of six utilities nationally to receive the Outstanding Stewards of America’s Water Award this year.

The award honors the partnership of Park Community Charter School, the 1000 Islands Environmental Center and the utility in developing and implementing the school’s National Energy Education Development (NEED) curriculum.

STATE UPDATES

MICHIGAN

PSC Reports on RPS Progress

The Michigan Public Service Commission (MPSC) has issued its fourth annual report on the implementation of the state’s renewable energy standard and its cost effectiveness. For 2012 – the first year that Michigan utilities were mandated to meet an interim compliance requirement – the estimated renewable energy percentage reached 5.4%, up from 4.4% the previous year.

Progress toward Michigan’s 10% by 2015 renewable energy standard is going smoothly, MPSC Chairman John D. Quackenbush said. The Michigan utilities that WPPI Energy serves are exceeding that goal with a power supply that is made up of 13% renewables.

IOWA

IUB Confirms New Member

Nick Wagner has been confirmed as a third member of the Iowa Utilities Board. He replaces Darrell Hanson and will serve the remaining five years on Hanson’s six-year term. He is a former state Republican legislator and an electrical engineer at The ESCO Group.

WISCONSIN

Delinquent Bill Legislation Enacted

A new Wisconsin state law is the result of municipal utilities’ efforts to make sure they can continue to use property tax rolls as a collection tool, which helps ensure that unpaid bills don’t end up increasing rates for all customers of not-for-profit utilities in the state.

Municipal Electric Utilities of Wisconsin (MEUW) worked with landlord groups to preserve the ability to collect unpaid tenant bills on landlords’ property tax bills. Some provisions of the bill went into effect April 18, and other provisions become effective in January 2015.

Portion of CapX2020 Energized

A 16-mile segment of the CapX2020 Hampton-Rochester-La Crosse transmission line project is now operating. The project will eventually include 130 miles of 345-kV transmission line from Hampton, Minnesota, to La Crosse, Wisconsin, and two 161-kV transmission lines totaling 30 miles. Construction is expected to be complete in 2015. WPPI Energy owns a 3% interest in the project as one of 11 transmission-owning utilities participating in CapX2020.

Businesses Buy Benefits of Renewables

Throughout the communities that WPPI Energy serves, 340 businesses participate in the Green Power for Business program, purchasing about 7,800 blocks per month.

Business customers in participating communities (see list, this page) may opt to fulfill some or all of their electricity needs with renewable energy. Each 300-kilowatt hour (kWh) block costs an extra \$3 (or less depending on the amount purchased), which amounts to a premium of 1 cent or less per kWh above the standard electric rate.

The choice to use renewable energy has both immediate and long-term impacts for business owners.

Money is re-invested. Revenue from renewable energy sales goes back into the program, helping to fund renewable energy projects within the towns and villages that WPPI Energy serves.

A better energy future. Wind, solar and biogas systems generate electricity creating little to no air emissions, lowering a business' carbon footprint. In addition, essentially no water is required to generate wind and solar electricity, which also helps to preserve natural resources.

The U.S. Energy Information Administration predicts that in 2014, renew-



Thanks to the support of UW-River Falls students, the University Center and all residence halls on campus are powered by renewable energy through the Green Power for Business program offered by River Falls Municipal Utilities.

able energy consumption will increase by about 3%. Although solar and wind power are still considered intermittent energy sources because the sun is not always shining and the wind is not always blowing, new energy storage technologies and expanded infrastructure will increase their potential.

Midwest job creation. Wisconsin is home to more than 300 solar and wind energy-related businesses; Michigan has 240 manufacturers that supply the wind

and solar industries; and Iowa has 80 companies that help manufacture wind towers and turbines. In all, that adds up to nearly 15,000 jobs in the three states.

Connection with customers. Many businesses are implementing sustainable business practices, which appeals to their customers as well.

Universal Acoustic & Emissions Technologies, a manufacturer with facilities in the WPPI Energy member communities of Stoughton and Muscodia, purchases

Customers in the following communities may sign up at any time to purchase some or all of their electricity in the form of renewable energy.

Algoma	Florence	Menasha	Plymouth	Two Rivers
Black River Falls	Hartford	Mount Horeb	Prairie du Sac	Waterloo
Boscobel	Hustisford	Muscoda	Reedsburg	Waunakee
Brodhead	Independence	New Glarus	Richland Center	Waupun
Cedarburg	Jefferson	New Holstein	River Falls	Westby
Columbus	Juneau	New London	Slinger	Whitehall
Cuba City	Kaukauna	New Richmond	Stoughton	
Eagle River	Lake Mills	Oconomowoc	Sturgeon Bay	
Evansville	Lodi	Oconto Falls	Sun Prairie	

about 216,000 kWh per year of renewable energy, a fact that it promotes to customers and the public via the company's website. The renewable energy purchase is one of the many efforts that make up Universal's Green By Design program, a company-wide initiative that encourages environmentally friendly business practices. The company also plans to apply for the Wisconsin Department of Natural Resources' Green Tier project and implement ISO 14000 standards for environmental management. Universal provides engineered acoustic, emission and filtration solutions for power generation, oil, gas and industrial markets.

In all, customers throughout WPPI Energy communities buy 50,260,000 kWh of electricity each year that doesn't have to be generated by nonrenewable resources - equivalent to the average annual energy usage of more than 5,500 Midwestern households.

In addition to businesses, nearly 3,600 residential customers participate in the voluntary Renewable Energy Program, purchasing more than 6,000 blocks per month. In all, customers throughout WPPI Energy communities buy 50,260,000 kWh of electricity each year that doesn't have to be generated by non-renewable resources - equivalent to the average annual energy usage of more than 5,500 Midwestern households - avoiding the emission of more than 30,000 tons of carbon dioxide.

Datebook: Fall

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.

WPPI Energy/Energy Center of Wisconsin Webinars

The Energy Center of Wisconsin | www.ecw.org/wppienergycatalog
A new bundle of webinars will be available on demand each quarter, made possible by WPPI Energy's sponsorship of the Energy Center. Those who would like to receive continuing education credits can go to www.ecw.org/university/ecuonline-forcredit.php.

Free On-Demand Webinars

The Energy Center of Wisconsin | www.ecw.org/education/webinars

Wisconsin Farm Technology Days

www.wifarmtechnologydays.com
August 12-14, Plover, Wis.

Solar Powering Michigan Conference

www.growsolar.org/education-training
September 12, Traverse City, Mich.

Iowa Energy Summit

Iowa Association for Energy Efficiency | www.iowaenergy.org
September 24-25, Altoona, Iowa

Midwest Solar Training Network courses

www.midwestsolartraining.org/index.php/training-resources/courses
A variety of courses focused on photovoltaics are offered in Wisconsin and Michigan.

Commissioning Authority Training Program

PECI® Building Efficiency Training Programs | <http://learn.peci.org>

Energy Auditor Training Program

PECI® Building Efficiency Training Programs | <http://learn.peci.org>

Building Operator Certification

Focus on Energy | www.focusonenergy.com/training
August 4-October 28, Wausau, Wis.
August 27-November 19, Madison, Wis.

Building Operator Certification

Midwest Energy Efficiency Alliance | www.boccentral.org/training-iowa
August 29-December 12, Council Bluffs, Iowa

Stronger Together: Joint Purchasing

It started with poles back in 1987. Since then, the WPPI Energy joint purchasing (JP) program has expanded to offer a catalog of more than 1,000 distribution-related items, from transformers to bolts – plus a new online tool.

Kate Fravert, manager of joint purchasing and a 12-year WPPI Energy employee, and **Deb Adams**, an administrative assistant with nearly 10 years at WPPI, see it as their role to save members time and money.

They meet with vendors, request bids, negotiate for better pricing, maintain the online catalog, and work one-on-one with utility staff.

Adams helps members schedule discounted spring services, including infrared inspection, truck testing, transformer oil testing and weed spraying.



Kate Fravert and Deb Adams assist WPPI Energy members with joint purchasing.

Nearly all of WPPI Energy's 51 members place online orders, schedule spring services, or both. Ten members purchased more than \$100,000 worth of materials through the system in 2013, and another 10 purchased between \$50,000 and \$100,000 worth. Together, these utilities saved an estimated \$186,000 on purchases last year.

Fravert and Director of Distribution Services **Chris Chartier** serve as liaisons to the 11-person Distribution Services Advisory Group (DSAG).

With the group's oversight, the joint purchasing catalog is constantly evolving. The goal is for members to standardize as many materials as possible to achieve better economies of scale.

DSAG also developed the concept for the Request for Quotes (RFQ) module, which started in 2013 as a new resource for ordering materials. Members essentially create their own customized catalog based on past purchases, bidding on materials when they need them. Ten members are expected to be using the RFQ module by year end.

"The dollar value of joint purchasing isn't always easy to calculate, but we know that it's helping members make every dollar count," Fravert said. "The best part is that the more members use the program, the more everyone benefits."