

# Vote Solar applauding PSC decision on solar project financing

Posted on Friday, Dec 2, 2022

A spokesperson for Vote Solar is applauding state utility regulators for ruling in favor of the group's petition related to third-party financing for a small solar project in Stevens Point.

John Delurey is the senior regional director for the California-based renewable energy advocacy group. In an interview yesterday, he said the state Public Service Commission's 2-1 decision means the family seeking to have the project installed will be able to "space out that investment in solar over time, in a way that still saves them a bunch of money and is a good long-term investment."

"It's rare to get such a clear-cut win, but in the world of regulatory affairs, that's how it goes," he told WisBusiness.com. "The votes are counted, and you either win or you lose. So we're really, really excited on behalf of this family."

While advocates in the state say allowing third-party financing arrangements for projects like these would improve accessibility for solar energy, opponents including utilities and labor groups argue doing so could lead to deregulation and union members losing out on work.

During a meeting yesterday, two of the state's three commissioners voted in favor of advancing a declaratory ruling that the owner of the third-party financed solar project — North Wind Renewable Energy Cooperative — shouldn't be regulated as a public utility under state law due to this specific case.

Bill Skewes, executive director of the Wisconsin Utilities Association, says the decision is "not the ruling we were hoping for."

"Narrower is better than broader but our concern is that it opens the door to a wider effort to erode the regulatory compact," he said in a statement. "It's that wider effort that causes us concern for our customers who will lack the consumer protections afforded by the regulated system we have today. We also think that the implications for broader policy changes that it signals are the purview of the

Legislature.”

Third-party solar financing can include solar leases, in which the customer pays for the solar system over a certain time period rather than paying for the power it generates, or a purchase power agreement. Under such an agreement, the customer’s electric bill is offset by the solar system, and the developer sells the power to the customer at a fixed, lower rate. That’s according to an overview from the Environmental Protection Agency.

The declaratory ruling advanced by the commission notes the family being served by the solar project in this case neither fits the definition of “the public,” nor does the project provide power to the public either directly or indirectly. Chair Rebecca Valcq and Commissioner Tyler Huebner voted in favor of the ruling while Commissioner Ellen Nowak voted against it.

In discussions before the vote, Nowak argued the commission’s only “clear answer” to the questions raised in the case was to deny Vote Solar’s petition. She said the commission “should not be fooled by the bait-and-switch scheme” presented by the petition.

“The reality of what Vote Solar seeks is obvious ... it clearly and unequivocally states it seeks a broad ruling of general applicability to those who seek and qualify for financing from them,” she said.

But Delurey says the nature of Vote Solar’s petition was “very narrow” and only applies to this specific project.

“The impression that I got from listening to the commissioners is we don’t really know what is going to come next,” he said. “I think Commissioner Huebner said there isn’t a lot of case law on this. And so I think they were able to use this project to draw some conclusions that perhaps at some point could be made broader and more universal. But the nature of this petition is related to this case.”

Nowak also noted bills seeking to allow third-party financing for distributed energy resources have previously been rejected by the state Legislature, “and we have to respect that.”

But Huebner said the commission has “an obligation to answer the questions that are posed to us” whenever possible.

“Any action we take does not remove any capacity from the Legislature to take action,” he said.

Meanwhile, Valcq drew a parallel with Generac, a Waukesha company that sells backup generators. She questioned if commissioners would be having “such a ferocious debate” if Generac petitioned the PSC for help due to legal ambiguity preventing them from participating in the marketplace.

“I don’t think we would, I really don’t,” she said. “In my mind, it’s the same thing and I don’t think we have the power to say, ‘we’re going to declare that your business model, you can only sell solar panels to 10 families.’ I think that’s way, way, way beyond our statutory authority.”

See more on this topic in a recent story:

<https://www.wisbusiness.com/2022/psc-decision-on-third-party-solar-expected-early-next-month/>

*-By Alex Moe*