



State of Wisconsin
2017 - 2018 LEGISLATURE

LRB-0600/1
MDK:vne&klm

2017 BILL

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,

