

POWER REPORT

July 2010

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members

Wisconsin	Mount Horeb	Waunakee
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 customer-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.

Communities Win ARRA Grant Funding

Several WPPI Energy member communities have secured American Recovery and Reinvestment Act (ARRA) funding for energy efficiency, conservation, renewable and weatherization programs in their local communities. WPPI Energy members and their customers will benefit by increasing local energy savings, thereby enhancing the economic stability of their

local economy as they build a cleaner energy future.

Across the three-state membership, 15 WPPI Energy members won more than \$1.64 million in ARRA-funded state Energy Efficiency and Conservation Block Grants for energy-efficient municipal building retrofits and lighting projects, including:

MICHIGAN

- **City of Crystal Falls** – LED Street Lights – \$50,000

IOWA

- **City of Independence** – LED Street Lights – \$142,327
- **City of Maquoketa** – Municipal Building Energy Efficiency Improvements and Test Project for LED and Induction Street Lights – \$52,717; 250 kW Wind Turbine* – \$156, 836

** Public sector category project funded through the Iowa Office of Energy Independence's State Energy Program*

WISCONSIN

- **City of Menasha** – City of Menasha Energy Efficiency Project – \$200,800
- **City of Columbus** – City of Columbus LED Street Light Conversion – \$159,200
- **City of Jefferson** – Energy Efficiency HVAC Retrofit-City of Jefferson – \$145,700
- **City of Plymouth** – Plymouth Street Lighting and HVAC Improvements – \$141,600
- **City of New Richmond** – Energy Reduction New Richmond 25 x 25 – \$135,000
- **City of Evansville** – Shining Lights for Lower Gas Emissions – \$133,496
- **City of Lake Mills** – Lake Mills Municipal Building Improvements – \$117,400
- **City of Two Rivers** – Two Rivers Municipal Building Improvements – \$74,700
- **City of Waupun** – Municipal Building Retrofits/Light Replacement – \$51,000
- **City of Algoma** – Algoma Municipal Bldg HVAC and Lighting Upgrades – \$40,700
- **City of Juneau** – Lighting Upgrade – \$25,600
- **Village of Slinger** – Village of Slinger Energy Efficiency Upgrades – \$22,700

WPPI Energy and members were also successful in securing additional ARRA funds from Wisconsin's Office of Energy Independence, including:

- **WPPI Energy** – Plug-in hybrid electric utility line trucks and neighborhood electric vehicles for members - \$1.12 million; Energy efficiency programs for member industrial customers - \$260,000
- **The City of Jefferson** – Neighborhood electric vehicle - \$2,000
- **Oconomowoc Utilities Leading by Example** – Neighborhood electric vehicle - \$8,000
- **Stoughton Utilities** – Plug-in electric utility line truck - \$200,000



As this article is written, WPPI Energy is approaching its 30th anniversary, which will be celebrated at our Annual Meeting this September. Our utility was formed by our member communities on Sept. 5, 1980, with a clear vision and virtually no assets. Member communities were committed to establishing their own bulk power utility to achieve long-term power supply independence, enabling growth and prosperity in the local economy.

Choosing a joint-action model, our members decided to work together because it was becoming increasingly difficult to remain competitive while operating alone. Our members charted a course for the future to allow their local utilities not only to survive, but also to prosper. Together, they created a major new utility that could develop and own valuable power supply assets for the benefit of their residents and businesses.

Thirty years later, WPPI Energy has grown from a small office in a strip mall in Sun Prairie with 23 members to the fifth largest electric utility in Wisconsin, with 51 members in three states and assets of

more than \$686 million. We have one of the most extensive member and customer service programs when compared to similar joint action agencies in the country. We are a recognized leader within the Midwestern utility industry and, nationally, in the public power community.

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As WPPI Energy members celebrate their 30-year milestone anniversary in 2010, they also will usher in an important transition. WPPI Energy will hire the third President and CEO in its history, with the announced retirement of current President and CEO Roy Thilly. WPPI Energy members are committed to maintaining an excellent, highly motivated staff and selecting another strong and visionary leader, as they continue to chart the course for the future.

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Throughout our history, the members of WPPI Energy have proceeded in a steady and deliberate fashion to create a lasting foundation for success. As a result, our

member communities now have two very valuable assets—their own electric utilities and their joint ownership of WPPI Energy.

WPPI Energy members are now preparing for the next 30 years. WPPI Energy will stand behind its members, providing the expertise and resources necessary to make good decisions and provide excellent service. To do so, we must be technically adept, well informed and driven by member and customer needs. The next 30 years will be built on the strong foundation developed over the last three decades, just as our members intended when they first joined together in 1980. It has been a great 30 years of joint action, and the next 30 will be even greater.

WPPI Energy Members Celebrating Milestone Anniversaries in 2010:

- Whitehall – 70 years
- Westby – 95 years
- Waunakee – 95 years
- Sun Prairie, WI (see story below) – 100 years
- River Falls, WI (see story on pgs. 3-4) – 110 years
- New Richmond – 120 years

MEMBER NEWS

Members Lead Nation in Use of Renewable Energy

Four WPPI Energy members—Lake Mills Light & Water, River Falls Municipal Utilities, Stoughton Utilities and Waterloo Utilities—earned national recognition from the U.S. Department of Energy’s National Renewable Energy Laboratory (NREL) for their renewable energy programs. Each utility was on NREL’s annual “Top Ten” lists of leading utility green power programs for 2009. Customer participation in the Renewable Energy Program and Green Power for Business in Lake Mills, Stoughton and River Falls was more than double NREL’s national average. River Falls and Waterloo were recognized for their green power sales as a percentage of total utility retail electricity sales.

Stoughton GreenMax Home Complete



John and Rebecca Scheller.

During a special dedication ceremony on April 29, homeowners John and Rebecca Scheller celebrated the completion of what is anticipated to be Dane County’s first verified net zero energy home—a home that is capable of producing as much energy as consumed. The house, located in the member service territory of Stoughton Utilities in the Town of Rutland, combines energy-efficient construction methods and practices with onsite

renewable energy technologies to achieve net zero energy use. For more information, visit www.greenmaxhome.com.

Kaukauna Utilities Buys Hydro Plant

Kaukauna Utilities purchased a hydroelectric power plant in Kimberly from papermaker NewPage Corp. The plant has 2.7 megawatts of installed capacity.

Sun Prairie Utilities Celebrates Centennial Anniversary



Sun Prairie Utilities is celebrating its 100th anniversary of providing electric and water services to the residents of Sun Prairie. In conjunction with its centennial anniversary, the utility recently unveiled a new name and logo, representing the strength of Sun Prairie Utilities as a public power provider focused on serving its customers and understanding their changing needs.



MEMBER SPOTLIGHT

River Falls, Wisconsin

river falls, wisconsin fast facts

County: Pierce and Saint Croix

Population:
Approximately 14,343

Website: www.rfmu.org

Did you know:

- River Falls Municipal Utilities has implemented a municipal effort to improve energy use in utility and municipal facilities.
- River Falls is the first Wisconsin community with a LEED-certified City Hall. The city purchases 50,300 kilowatt-hours, or 35 percent of the building's annual energy consumption, from renewable resources.
- The utility was the first community in Wisconsin and the Midwest to appear on the U.S. Environmental Protection Agency's national list of Green Power Communities.
- River Falls Municipal Utilities was one of 23 original members to join WPPI Energy.

WPPI Energy member since 1980.



River Falls City Hall.

River Falls Municipal Utilities (RFMU) was founded more than 100 years ago. The utility was created by community members seeking to establish their own utility to provide lights to the downtown area and enhance economic development. The utility began serving the community's water needs in 1894, its electric needs in 1900 and sewer needs in 1930. In 1980, River Falls joined WPPI Energy. Today RFMU provides service to approximately 5,800 customers in River Falls, operating as the locally owned electric, water/sewer and wastewater utility.

Sustainable Initiatives

The community is committed to providing leadership to encourage community-wide sustainability. In 2007, RFMU created the **POWERful Choices!** initiative. This effort has helped boost community energy efficiency and environmental stewardship, promote broad energy awareness and conservation, and advance renewable energy. In addition, RFMU formed a volunteer committee comprised of local elected/appointed officials, educators,

business leaders, environmental group members and citizens to provide direction in motivating the community to work together on the initiative.

Innovative Financing for Renewables

River Falls is the first community in Wisconsin and the Midwest to offer an innovative renewable energy and energy efficiency finance program. **Save Some Green**, established in 2010, emphasizes efficiency first and the installation of renewable energy second. The program is the first of its kind in the nation, based on a similar program called Berkeley FIRST. However, **Save Some Green** funds more projects, such as solar photovoltaic systems, solar hot water, solar thermal heating, geothermal systems, wind turbines, and major energy efficiency projects in connection with a renewable energy project. The program provides four percent interest loans to residential utility customers to finance qualified renewable energy systems and make efficiency improvements to their property through installments on their property tax bills.

River Falls, Wisconsin

National Leader

In January 2009, River Falls appeared on the U.S. Environmental Protection Agency's (EPA) national list of Green Power Communities. River Falls was the first community in Wisconsin and the Midwest to receive this distinction, ranking No. 10 on the EPA's Green Power Community list.

Through RFMU and WPPI Energy, the River Falls community is purchasing more than 18 million kilowatt-hours (kWh) of green power annually, the second highest percentage in the country and enough green power to meet 15 percent of the community's purchased electricity use.

In addition, RFMU continues to earn national recognition from the U.S. Department of Energy's National Renewable Energy Laboratory (NREL) for its leadership in the sale of renewable energy. Based on 2009 customer participation rates, RFMU ranked eighth in the nation among more than 850 utilities across the United States who offer green power programs. The utility also ranked sixth for its green power sales as a percentage of total utility retail electricity sales.

The 2009 NREL "Top 10" list marks the fifth time River Falls has earned national recognition for its successful green power program performance since 2005.

Valuable Community Leadership

Community members in River Falls purchase electricity from clean, green sources by participating in RFMU's Renewable Energy Program and Green Power for Business. The community's green power participation received a significant boost when students at **UW-River Falls** voted in favor of allocating student funds to power the school's University Center and residence halls with renewable energy from RFMU. A purchase by the state provides additional renewable energy to the campus. In February 2010, Mayor Don Richards challenged local citizens to increase their use of renewable energy. As a result, residential customers increased green power purchases by 11 percent. Another initiative, called the Green Partner Program and conducted by Efficiency and Conservation Coordinator Mike Noreen, increased Green Power for Business participants by 144 percent. Noreen partnered with Mayor Richards to conduct personal visits to local businesses in River Falls. Business partners were



UW-River Falls University Center.

given a personalized flyer that explained their current energy use, costs, and environmental benefits associated with purchasing renewable energy.

Large Power Leaders

In the spring of 2007, **Minnesota Rubber and Plastics**, a commercial customer of RFMU, participated in the first round of bidding for the RFP for Energy Efficiency program and received funding to upgrade its cooling system with a water cooled chiller, generating an annual energy savings of more than 415,000

kWh. In another round of RFP bidding in 2008, the company converted its plastic resin drying process with a more efficient and centralized system.

UW-River Falls is also making significant strides to improve the efficiency and operation of its facilities. The university is utilizing RFMU's New Construction Design Assistance program for an addition to the George R. Field South Fork Suites Residence Hall. The program will help review the building's energy performance and analyze energy efficiency opportunities. Students also voluntarily purchase 363,000 kWh of renewable energy per month for the University Center and all the residence halls, enough energy to power 41 average-sized homes.

Numerous lighting, motor, HVAC, and other energy saving projects have been implemented at the university. Continuous monitoring of building operations and retro commissioning have also significantly improved how university building equipment and systems function together.

The **River Falls School District** also upgraded classroom and facility lighting in several schools. The district installed new energy-efficient high-bay fluorescent fixtures in gymnasiums district wide and converted to high-performance T8 from T12 fluorescent lighting.

Walking the Talk

The community of River Falls plays an important role in supporting clean energy alternatives. Thanks to community-wide leadership, the implementation of several key initiatives, and a strong community-wide conservation ethic, River Falls continues to set a leadership example that sustainability is a wise and long-term investment.

Resources in Place to Meet Summer Demand

Sufficient generation capacity is in place to meet the projected summer peak demand of WPPI Energy's 51 member utilities. Our projected summer peak demand for 2010 is 945.3 megawatts (MW). We have in place 1,086 MW of capacity, including WPPI Energy-owned generation, power purchase contracts, and member-owned and customer-sited generation. The Midwest ISO projects a planning reserve margin of 25.9 percent, which exceeds the system planning reserve margin of 15.4 percent.

Renewable Energy Enthusiasts Connect Via Facebook



WPPI Energy has launched a Facebook page to connect and interact with residential Renewable Energy Program and Green Power for Business participants and renewable energy enthusiasts. To learn more, visit www.facebook.com/renewableenergysupporters.

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.

STATE UPDATES



michigan

Local Congressman Retires

Congressman Bart Stupak announced his retirement from Congress at the end of his term. Stupak has been a Democratic member of the United States House of Representatives since 1992, representing Michigan's 1st Congressional District.



iowa

Governor Signs Bill to Help Protect Water

Governor Chet Culver has signed Senate File 2310, the Natural Resources and Outdoor Recreation Act. In November, citizens will vote on a ballot measure on whether a constitutionally protected fund will be created to conserve Iowa's natural resources.



wisconsin

Ebert Appointed Chair of Wind Siting Council

WPPI Energy Senior Vice President of External Affairs Dan Ebert was appointed by the Public Service Commission of Wisconsin to serve as chair of



Dan Ebert.

Wisconsin's Wind Siting Council. The 15-person council was appointed in March 2010 as part of a law passed last year to set up uniform wind siting standards in Wisconsin.

Iowa Ranked No. 2 in Nation for Wind Production

According to the American Wind Energy Association U.S. Wind Industry Annual Market Report for the year ending 2009, Iowa is the second largest producer of wind energy in the United States, generating 15 percent of its power from wind, with a total of 3,670 megawatts installed.

Smart Grid: WPPI Energy Members Prepare for Future

WPPI Energy members are preparing for the advent of the smart grid, an emerging network of advanced meters, distribution system equipment and information systems that will help customers control their usage and save money on their electric bills. Through the smart grid, utilities will better be able to:

- Employ technology allowing two-way communication with customers
- Manage operational and power supply-related costs

- Offer time-based rate structures that encourage conservation
- Enable customers to access and analyze their own electric consumption information online, and
- Enable customers to use smart appliances and controls to use energy when it is least expensive.

WPPI Energy members recognize that smart grid technology is the path of the future. Now more than ever, customers are becoming connected, savvy consumers of online information. The

continued on page 7

Customers Benefit from Energy-Saving Programs

WPPI Energy's 51 member utilities offer a variety of programs, technical assistance and financial incentives to help your business save energy and money.



Through the RFP for Energy Efficiency program, large energy users served by WPPI Energy member utilities are able to bid for funds to implement cost-effective efficiency improvement projects to upgrade equipment and systems. Qualified customers are invited to submit proposals for the current RFP for Energy Efficiency bidding cycle. The current round of bidding ends on July 23, 2010, with awards granted in August. Bids for a subsequent round of funding are due Nov. 12, 2010. The program is open to all commercial, industrial and institutional power customers served by WPPI Energy member utilities. Visit www.wppienergy.org/rfp for details.

In addition, customers planning new buildings or additions can take advantage of the benefits of sustainable design through the New Construction Design Assistance program. The program assists prospective building owners and developers, design professionals and construction contractors achieve energy savings by encouraging the design and construction of buildings as integrated systems to capture holistic energy savings.

WPPI Energy members offer a variety of energy management programs and services specifically for commercial and industrial facilities, including energy audits, load monitoring, technical training and more. Contact your WPPI Energy member utility for more information on how you can make wise and worthwhile business investments in energy-saving projects.

Customer Achieves Energy Savings

WPPI Energy partnered with Focus on Energy to fund an energy manager position at Thilmany, LLC, a customer of Kaukauna Utilities in Wisconsin, through the Focus on Energy Industrial Staffing Grant program. The program was designed to assist large power customers in Wisconsin by funding a half- to full-time energy manager to lead the completion of energy efficiency projects. Focus on Energy and WPPI Energy provided funding for nine energy saving projects at the facility. Such projects included redesigning the hot process softener to decrease heat loss to the sewer, lighting upgrades, steam system improvements, efficiency planning activities and more. Through the Industrial Staffing Grant program, Thilmany will achieve electrical energy savings of more than 5.5 million kilowatt-hours, reducing electricity costs by more than \$1.14 million annually.

Brighter Energy Savings



LED Parking Light.

Since the start of 2010, more than 105 customers in 41 member communities have completed lighting upgrades in local facilities, achieving cumulative energy savings of more than 8.7 million kilowatt-hours.

Such projects include high-bay lighting retrofits, T-12 to high-performance T-8 upgrades, occupancy controls, CFL upgrades, LED traffic signal installations, LED refrigerated display case lighting upgrades, and LED sign upgrades. Since Jan. 1, 2010, more than \$430,000 has been awarded to help customers lower the upfront costs of such projects. Financial incentives and rebates are provided by WPPI Energy, Wisconsin's Focus on Energy program and WPPI Energy member utilities.

Three Staff Members Earn Professional Certification



Mike Hodges.



Peggy Jesion.



Eric Kostecki.

Three WPPI Energy staff members—Mike Hodges, Peggy Jesion and Eric Kostecki—recently earned their Certified Energy Manager (CEM) credentials. The CEM designation recognizes individuals who have demonstrated high levels of experience, competence, proficiency and ethics in the energy management profession and has gained industry-wide use as the standard for qualifying energy professionals in both the United States and abroad. CEM credentials are recognized by the U.S. Department of Energy, the Office of Federal Energy Management Programs, and the U.S. Agency for International Development, as well as by numerous state energy offices, major utilities, corporations and energy service companies.



Mark your calendar for these upcoming events, conferences and technical workshops for commercial and industrial utility customers:

Energy-Efficient Computing Summit: Cutting-Edge Practices that Achieve Real Savings

Focus on Energy, www.focusonenergy.com/training

- July 20, 2010 | Madison, WI

Building Operator Certification Level I

Focus on Energy, www.focusonenergy.com/training

- September 15, 2010 | Brookfield, WI

Practical Energy Management - Schools and Government

Focus on Energy, www.focusonenergy.com/training

- September 20, 2010 | Eau Claire, WI

Accredited On-Demand Webcasts (available anytime)

The Energy Center, www.ecw.org/university/ecuonline-forcredit.php

- Day Lighting: Lighting Every Building Using the Sky
- Energy Efficient Buildings: It's All About the Money Now
- Geothermal Technologies
- SSL Technology & LED Lighting



That's because every dollar you save on energy costs goes straight to your bottom line.

Your local utility's membership in WPPI Energy gives you access to energy solutions that save money, boost productivity and reduce maintenance costs.

Find out how smart energy choices can save your business energy and money!

In Wisconsin, Focus on Energy offers grants and financial incentives to help you offset the costs of energy efficiency and renewable energy installations. Call 800.762.7077 or visit focusonenergy.com.

In Iowa and Michigan, customers have access to similar opportunities through their local utilities. Call 800.255.9774 or visit www.wppienergy.org.

Take action today. See results tomorrow.



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Smart Grid: continued from page 5

next generation will expect the increased access to information and accompanying cost-control capabilities promised by the smart grid.

To ensure that we make the right choices, the member utilities and staff of WPPI Energy have formed a Smart Grid/Smart Metering Task Force, which has recently completed a long-term analysis and is currently working to develop a staged implementation plan for our system.

Through joint action, WPPI Energy members have a longstanding tradition of working together to achieve economies of scale in acquiring generation resources and other services. As the smart grid emerges, WPPI Energy members will continue using this shared strength for the benefit of their customers, working together for operational efficiencies and cost control advantages.



Ask the Experts

Q: *What is load factor and how does it affect my bill?*

A: Load factor is a measure of how consistently a customer is using electricity over time, particularly over the course of a monthly billing cycle. Load factor is important for customers who are billed on a demand and energy basis. Generally, customers who have a maximum demand of 50 kilowatts (kW) or more each month are billed on a demand and energy basis, like larger commercial and industrial customers. Customers using less than 50 kW each month, typically residential and smaller commercial customers, are usually billed only on an energy basis. Load factor is expressed as a percentage and is calculated by dividing total kilowatt-hours (kWh) consumed by the product of maximum demand times the total hours in a billing period.

$$\text{Calculating Load Factor: } \frac{\text{Total kWh}}{(\text{maximum demand} \times \text{hours})}$$

The load factor can range up to a maximum of 100 percent. A load factor of 100 percent indicates the same amount of electricity is being used every hour of the billing period. However, it is not likely a customer will use electricity at a constant rate over the entire monthly billing cycle. Generally, a load factor greater than 70 percent is considered a high load factor.

The higher one's load factor, the more consistently that customer is using the energy resources, electric infrastructure and the utility's fixed assets. A higher load factor translates into a lower per kWh cost for the customer because the demand charges will make up a smaller percent of the total cost.

For some customers, improving load factor requires alternating processes and running equipment at a different time of the day or night to avoid running applications at the same time on peak. For other customers, it is not as easy to alternate processes, but it is important to understand how the operation works by being aware of how electricity is billed and identifying cost contributors. Customers interested in improving their load factor can contact their local utility and work with the Energy Services Representative.



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.

Tim Ament, Director of Rates for WPPI Energy,
(608) 834-4530, tament@wppienergy.org

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PERMIT #2783

1425 Corporate Center Drive
Sun Prairie, WI 53590

The way energy should be

