

13

Set utility carbon-reduction goals

STRATEGIES

- Establish carbon-reduction goals for utilities as follows:
 - By 2030, reduce net carbon emissions from the power sector to at least 60 percent below 2005 levels.
 - By 2050, reduce power sector net carbon emissions to 100 percent below 2005 levels.
- Utilities should be given flexibility in order to maintain reliable, resilient, and cost-effective infrastructure.

Executive/
Agency Action

POLICY PATHWAY

- The PSC should track progress towards these goals by utility through its biennial *Strategic Energy Assessment*.

The power sector provides the largest opportunity for cost-effective GHG emissions reductions. As other sectors pursue beneficial electrification (e.g., transportation and building fuels), decarbonizing the power sector is going to be critical to further reduce emissions economy-wide. The PSC's *Final Strategic Energy Assessment 2020-2026* indicates that Wisconsin utilities are on pace to reduce their aggregate emissions to 44 percent below 2005 levels by 2026, surpassing the 40 percent reduction target multiple providers had previously set for 2030.⁵⁷ What's more, these projected reductions do not consider a coal plant retirement announced in May, half of the 1,000 megawatts of solar power Alliant Energy is planning to acquire by 2024, or the solar farms being developed by non-utility companies.

Most emissions reductions are expected to come from utility-scale renewable energy projects with utility resource procurement or replacement reflecting the current demand and economics-based utility regulatory structure. Where cost-effective, and especially where it results in environmental justice or resilience benefits, reductions should also come by partnering with customers across multiple sectors and thereby leveraging funding from Focus on Energy® and utility incentive programs. At the same time, utilities may need some flexibility with their goals in order to maintain infrastructure that provides safe, reliable, and affordable energy and to allow for maintenance of grid stability. The goals may be appropriately modified to be consistent with a significant federal, nationwide carbon-reduction policy that includes all economic sectors when such a policy is put in place.