

Proposed changes to individual metering require careful examination



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Within the Wisconsin Administrative Code, PSC 113.0803 requires individual metering for each tenant space in multi-dwelling unit residential buildings and mobile home parks. The requirement — last revised in 2002 — was originally intended to promote energy conservation, ensure that customers are billed for their own energy consumption, and more readily enable utilities to disconnect electric service to individuals without affecting service to other units at a multi-unit property. Exceptions are provided for facilities such as hotels, campgrounds, hospitals, and residential care or community-based residential facilities.

The rule also allows requests for waivers from the individual metering requirement. In recent years, such requests have been making their way to the Public Service Commission (PSC) with increasing frequency (more than 20 dockets since 2017) — both from utilities, including MEUW members, and from individuals or developers.

The waiver requests have been driven by everything from supply chain issues to the surge of interest in solar ener-

gy. In the absence of any clear guidance about how to address the waiver requests, PSC initiated a [scoping statement](#) in 2023 for a proposed rulemaking and authorized Staff to develop [recommendations for amendments to the rule](#). At its Open Meeting on Feb. 12, the three-person Commission approved the draft amendments as presented and directed Staff to implement the public comment phase of the rulemaking process.

Along with Great Lakes Utilities, WPPI Energy, and the Wisconsin Utilities Association, MEUW has been tracking the progress of this rulemaking largely out of a concern that an amended rule could have ramifications from both a utility cost and customer affordability standpoint. Based on a review of the draft amendment, the concern is warranted, and MEUW members should consider [filing written comments](#) by the March 24 deadline.

There is little doubt that the rules need to be updated. The proposed amendment removes provisions that are vague or technologically outmoded, such as the exemption for “electric backup service to storage heating and cooling systems” or the “example cases” of electrically heated buildings or buildings with individual-unit water heaters.

In broader terms, however, the proposed amendment

may have unintended consequences. PSC Staff note loosening the individual metering requirement would likely lower the cost of housing construction and tenant costs while better enabling builders to meet updated efficiency standards. At the same time, it also likely increases costs for utilities and permitting authorities and may also reduce the availability of energy assistance for low-income customers; disincentivize tenants to cut down on their energy use; and potentially create new cross-subsidies as waivers are granted for new rooftop solar facilities on multi-unit dwellings that meet energy-efficiency standards. As a result, without further clarification or refinement, the proposed amendment could be costly for municipal utilities and their customers.

One example is the proposed modification to PSC 113.0803(3), which exempts remodels of existing buildings from the individual metering requirements if there are “legal impediments” to installation of such meters or if the cost of installation exceeds the long-term benefits of such metering. The modification, which invokes the cost-benefit standard for new buildings within the Public Utility Regulatory Policies Act (PURPA) and mirrors recent rule revisions approved in neighboring states, is intended to address developer concerns that individual metering is too

costly, impractical or even prohibited by historic preservation rules. It also recognizes that there may be instances where maintaining the individual metering requirement is appropriate for buildings that fail to meet established efficiency standards. But the proposed change more than likely will increase the number of remodeled buildings that seek and obtain waivers, making it uncertain whether the proper policy balance has been struck. There are numerous other examples where the amended rule could increase costs for MEUW members or their customers.

PSC Chair Summer Strand noted that the Commission’s decision to send the proposed rule amendment to public hearing without modification should not be construed as an endorsement of the proposed rules. Instead, she said, this step in the rulemaking process should signal PSC’s desire to solicit additional stakeholder input to inform any modification of the proposed rule. Municipal utilities should take the opportunity to understand the proposed modifications and express their specific concerns by filing written comments by the March 24 deadline.



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PSC decides on individual metering exemptions

At its June 19 open meeting, the three-person Public Service Commission (PSC) reached agreement on proposed revisions to individual electric metering requirements for multi-dwelling residential buildings. Originally established in 1980 (and last reviewed in 2002), the current rule requires individual meters for most apartment units to promote energy conservation and ensure tenants pay only for their own electricity usage. The rulemaking was initiated in 2023 due to an increasing number of waiver requests and the need for clearer guidance to align with current technology and energy use considerations for this type of housing. MEUW has been carefully following the docket and provided a comprehensive assessment of the potential revisions in the [March 2025 LIVE LINES](#).

After discussion, the commissioners agreed to replace the current waiver process and instead apply exemptions to individual metering by requiring that electric equipment under tenant control comply with established high-energy-efficiency standards. Likewise, an exemption would be allowed when the average electric energy use in each multi-dwelling unit is projected to be less than half of Wisconsin's average per-customer monthly residential use. Onsite renewable energy technologies offsetting overall usage would be factored into the projections.

The commissioners also agreed to exemptions involving new construction in which building design meets high-energy-efficiency standards and for multi-dwelling unit residential buildings under contract with local, state, or federal affordable-housing programs. The final language revising Wis. Admin. Code § PSC 113.0803 will be reviewed by the Commissioners before being forwarded to the Governor and legislature.

Update: Final Rulemaking Decision

The document to the left contains the official decision corresponding to the proposed rule changes presented in the initial article.