

Date: February 11, 2026

To: Members of the State Senate

From: Todd Stuart, Executive Director, Wisconsin Industrial Energy Group; Thomas Content, Executive Director, Citizen Utility Board; Jerry Ponio, Legislative Director, Americans for Prosperity; Erin Fabrizius, Advocacy Director, AARP Wisconsin; Erik Kanter, Government Relations Director, Clean Wisconsin

Re: Opposition to Assembly Bill 472/Senate Bill 502

AB 472/SB 502 Shifts Financial Risk from Investor-Owned Utilities to Ratepayers Before Any Energy Is Produced

We represent a broad cross-section of Wisconsin consumers who are concerned about rapidly rising energy costs. While our organizations do not always agree, we are united in our request: **the Senate should reject Assembly Bill 472 / Senate Bill 502 as amended.**

Wisconsin customers are already stretched thin. Roughly \$400 million in new electric and natural gas rate increases just took effect for 2026, which equates to more than \$2 billion in hikes since 2019. Right now, families are bracing for enormous heating bills following January's severe cold. Our organizations strongly oppose the construction work in progress (CWIP) framework included in ASA2, which would shift precertification and construction costs from investor-owned utilities onto ratepayers. Simply put, customers should not be forced to pay for a power plant before it produces a single kilowatt of electricity. Under Wisconsin's longstanding regulatory practice, power plants are not billed to the ratepayer until a project is operational and providing service.

Although AA 1 offered by the bill removed the explicit phrase "construction work in progress," the bill's concurrent capital cost recovery language produces the same outcome. It does not change the effect of Wis. Stat. § 196.371(3)(a)2 as drafted in ASA2. Both versions allow utilities to recover capital costs during construction and to earn a rate of return on those costs.

AB 472 / SB 502 still allows utilities to bill customers for building a power plant **even if the project is delayed or never completed**, plus a profit (the PSC has authorized **9.8% return on equity** for most Wisconsin investor-owned utilities). South Carolina offers a cautionary tale, where customers were left paying for an **\$11 billion nuclear project that was ultimately abandoned.**

Recent media reports indicate a new nuclear power plant may be operational as early as 2038. If AB 472/SB 502 were signed into law, then utilities could start billing hundreds of millions, if not billions of dollars, to ratepayers *right away* for a plant that may not provide electricity to the grid *until 2038*.

This structure risks turning cost overruns into profit opportunities rather than financial penalties. What happens if a project is abandoned? What happens if costs double or triple? Experiences in South Carolina, Georgia, and Florida demonstrate that these risks are real, not theoretical.

Compounding the problem, AB 472 / SB 502 is silent on the regulatory treatment of nuclear "stranded assets." Wisconsin customers are already responsible for at least [\\$1 billion in stranded fossil-fuel generation](#), and this bill exposes them to even greater risk.

Cost overruns are not a hypothetical concern. Wisconsin utilities have incurred hundreds of millions of dollars in overruns in recent years, prompting the Public Service Commission to open an investigation aimed at curbing this problem (Docket 05-UI-124). AB 472 / SB 502 moves in the opposite direction.

One other section of the bill merits attention. Under Subdivision 3, if a very large customer (such as a data center) is located within 75 miles of a nuclear power plant, the PSC shall approve the tariff “unless the commission finds on the record a countervailing reason not to approve the specified very large customer tariff.”

In other words, unless the PSC identifies a “countervailing reason,” a term not defined in the bill and explicitly separate from impacts on other ratepayers or shareholders, the commission could approve a tariff that shifts costs onto other customers. This language appears to conflict with AB 840, the bill recently passed that is meant to shield existing ratepayers from the cost of serving new data centers.

The bill also fails to include essential reforms, such as removing barriers to behind-the-meter generation or requiring competitive bidding for major projects, tools that could help drive down costs.

Wisconsin has had some of the highest electricity rates in the Midwest for two decades. Our organizations believe the state needs stronger cost discipline and consumer protection, not weaker ones.

For these reasons, we respectfully urge you to oppose AB 472 / SB 502 as amended. Please contact us if you have any questions.

Summary

AB 472/SB 502 would fundamentally shift financial risk from investor-owned utilities to Wisconsin families by allowing utilities to charge ratepayers for nuclear power plants years before any electricity is produced, while guaranteeing utilities a profit even if projects are delayed or abandoned. At a time when customers are already facing \$400 million in new rate increases for 2026 and more than \$2 billion in hikes since 2019, this bill exposes them to massive cost overruns, stranded-asset risks, and long-term uncertainty. With Wisconsin already burdened by some of the highest electricity rates in the Midwest, lawmakers should reject AB 472/SB 502 as amended and prioritize stronger consumer protections and real cost discipline.

Articles on CWIP

<https://www.utilitydive.com/news/cwip-construction-work-progress-ratepayers-supercycle/807132/>

<https://grist.org/energy/cwip-energy-policies-are-back/>

<https://media4.manhattan-institute.org/wp-content/uploads/the-hidden-tax-on-your-power-bill-construction-work-in-progress.pdf>