

Utility Aid Payments for Wind and Solar

FREQUENTLY ASKED QUESTIONS

» **What are utility aid payments for wind and solar?**

Utility aid payments are a type of shared revenue provided to local governments that host projects in their communities.

Utility aid payments are made for any project of any size owned by a cooperative, municipal, or investor-owned utility, as well as projects over fifty megawatts (MW) that are owned by another entity such as a developer selling electricity to a utility. These payments are made from the State of Wisconsin's general fund and are disbursed to hosting local governments on an annual basis. Utility aid payments are comprised of seven components. This document is focused on two of those components as they apply to wind and solar projects: the megawatt-based payment and the incentive payment.

Project owners do not pay host communities directly; rather, taxes are paid into the general fund and utility aid payments are drawn from this fund separately. These funds are paid to help hosting communities provide services to these facilities and to offer these communities opportunities to invest in themselves.

» **How are solar and wind utility aid payments calculated for municipalities and counties?**

For a solar or wind project, utility aid payments are \$5,000 per megawatt (MW) split across the local governments hosting the project. The \$5,000 payment is comprised of two components: a production capacity payment and an incentive payment.

The production capacity payment is \$2000 per MW, shared by the hosting local government entities. If the property is in a town, the town receives one-third (\$666.67/MW), and the county receives two-thirds (\$1,333.33/MW). If the project is in a village or city, the village or city receives two-thirds (\$1,333.33/MW) and the county receives one-third (\$666.67). For solar and wind farms that span multiple municipalities or counties, the megawatt-based payment is shared based on the capacity hosted in each.

The incentive payment for alternative energy sources is \$1,500 to both the municipality and the county.

Example Utility Aid Payment Distribution

TABLE 1: Payments for a 150 MW solar project with an anticipated operational life of 30 years in single town

Local Government Entity	Production Capacity Payment per MW	Incentive Payment per MW	Total Utility Aid Payment per MW	Project Capacity (MW)	Total Annual Payment	Total Payment Over 30-Year Project Life
County	\$1,333.33	\$1,500	\$2,833.33	150	\$424,999.50	\$12,749,985
Town	\$666.67	\$1,500	\$2,166.67	150	\$325,000.50	\$9,750,015
Total	\$2,000	\$3,000	\$5,000	150	\$750,000	\$22,500,000

TABLE 2: 150 MW wind farm located across three separate towns in a single county

Local Government Entity	Production Capacity Payment per MW	Incentive Payment per MW	Total Utility Aid Payment per MW	Project Capacity (MW)	Total Annual Payment	Total Payment Over 30-Year Project Life
County	\$1,333	\$1,500	\$2,833.33	150	\$424,999.50	\$12,749,985
Town 1	\$666.67	\$1,500	\$2,166.67	75	\$162,500.25	\$4,875,008
Town 2	\$666.67	\$1,500	\$2,166.67	50	\$108,333.50	\$3,250,005
Town 3	\$666.67	\$1,500	\$2,166.67	25	\$54,166.75	\$1,625,003
Total	\$2,000	\$3,000	\$5,000	150	\$750,000	\$22,500,000

» **How much are Wisconsin communities receiving for hosting clean energy?**

At the end of 2024, 26 towns in Wisconsin were receiving annual utility aid payments from hosting 21 different wind and solar projects larger than 50 megawatts. The single largest recipient was the Town of Two Creeks in Manitowoc County, which received a total of \$541,666 from hosting the Point Beach and Two Creeks Solar Projects. The average payment to Wisconsin communities hosting clean energy projects was \$179,067.

Wisconsin's county governments also benefited, with thirteen counties receiving an average utility aid payment of \$389,997 a year. With 274 MW of installed wind and solar, the single largest county recipient was Fond Du Lac County, which receives \$775,200 in utility aid for clean energy projects every year.

TABLE 3: WI towns and counties receiving the most money per year for hosting clean energy

Town	County
Two Creeks - 250 MW - \$541,666	Iowa - 300 MW - \$849,999
Saratoga - 150 MW - \$325,000	Dodge - 283 MW - \$800,415
Holland - 150 MW - \$325,000	Fond du Lac - 273.6 MW - \$775,200
Linden - 147 MW - \$319,366	Columbia - 171.7 MW - \$486,483
Mifflin - 137.3 MW - \$297,483	Wood - 165.9 MW - \$470,050

» **How do local governments use utility aid revenues?**

Utility aid payments are simply added to existing local budgets. Leaders managing the local budget are free to spend these additional funds at their discretion

In many communities, this extra revenue has allowed towns to repave and widen roads. In others, the payments have been used to strengthen fire service and have even been used to prevent property tax increases.

- One of the first communities to host a wind project, the Town of Leroy, used their very first utility aid payment to lower taxes.
- The Town of Calumet used the income stream from hosting the Blue Sky Green Field wind farm to take out a low-interest rate note that allowed them to repair five miles of severely damaged roads in one year. To date, the town has repaired eighteen miles of impaired roads with these funds.
- The Town of Two Creeks used utility aid from their solar projects to not only fix their roads, but to also widen them, making them capable of handling heavier loads. This means they have not had to do any crack filling in two years, saving time and money.

» **What do municipal and county leaders say about the impact of utility aid payments?**

“If your town is in the shape ours was in, this is a gift.”

—Don Breth, Board Chair, Town of Calumet, host of Blue Sky Green Field Wind Farm

“We were struggling and now we are not.”

—Town supervisor of a hosting community in Southwest WI.

» **Are utility aid payments the only form of financial benefits for hosting communities?**

No. Hosting municipalities and counties are also free to engage with developers to negotiate a joint development agreement (JDA) that will lay out contractual obligations of benefits the community will receive directly from the developer of the project. These benefits could include payments to local fire departments or to local school districts. They could cover payments for any impact during the construction phase of the project. A joint development agreement is yet another way that a community can best meet their needs when hosting a solar or wind project.