

Fiscal Estimate - 2009 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 09-4076/1	Introduction Number AB-0649
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Description
 Goals for reductions in greenhouse gas emissions, for construction of zero net energy buildings and for energy conservation; information, analyses, reports, education, and training concerning greenhouse gas emissions and climate change; energy efficiency and renewable resource programs; renewable energy requirements of electric utilities and retail cooperatives; requiring electric utilities to purchase renewable energy from certain renewable facilities in their service territories; authority of the Public Service Commission over nuclear power plants; motor vehicle emission limitations; a low carbon standard for transportation fuels; the brownfield site assessment grant program, the main street program, the brownfields grant program, the forward innovation fund, grants to local governments for planning activities, the transportation facilities economic assistance and development program, a model parking ordinance; surface transportation planning by the Department of Transportation and metropolitan planning organizations to reduce greenhouse gas emissions; environmental evaluations for transportation projects; idling limits for certain vehicles; energy conservation codes for public buildings, places of employment, one- and two-family dwellings, and agricultural facilities; design standards for state buildings; energy efficiency standards for certain consumer audio and video devices, boiler inspection requirements; greenhouse gas emissions and energy use by certain state agencies and state assistance to school districts in achieving energy efficiencies; creating an exception to local levy limits for amounts spent on energy efficiency measures; creating an energy crop reserve program; identification of private forest land, promoting sequestration of carbon in forests, qualifying practices and cost-share requirements under the forest grant program established by the Department of Natural Resources; air pollution permits for certain stationary sources reducing greenhouse gas emissions; allocating a portion of existing tax-exempt industrial development revenue bonding to clean energy manufacturing facilities and renewable power generating facilities; requiring a report on certain programs to limit greenhouse gas emissions; granting rule-making authority; requiring the exercise of rule-making authority; and providing a penalty

Fiscal Effect

State:

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Increase Existing Appropriations	<input type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget
<input type="checkbox"/> Decrease Existing Appropriations	<input type="checkbox"/> Create New Appropriations	<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Decrease Costs	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Local:

<input type="checkbox"/> No Local Government Costs	<input checked="" type="checkbox"/> Indeterminate	5. Types of Local Government Units Affected	
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	<input type="checkbox"/> Towns	<input type="checkbox"/> Village
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Counties	<input type="checkbox"/> Others
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	<input type="checkbox"/> School Districts	<input type="checkbox"/> WTCS Districts
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		

Fund Sources Affected	Affected Ch. 20 Appropriations
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEGS	

Agency/Prepared By	Authorized Signature	Date
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2/19/2010

Fiscal Estimate Narratives

DNR 2/19/2010

LRB Number	09-4076/1	Introduction Number	AB-0649	Estimate Type	Original
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Assumptions Used in Arriving at Fiscal Estimate

1.Greenhouse Gas (GHG) Emission Reduction Goals-- This bill specifies goals for statewide reductions in net greenhouse gas emissions. The bill requires the Department of Natural Resources (DNR) to quadrennially assess progress toward meeting the goals. This bill requires DNR to collect or estimate information on greenhouse gas emissions , to prepare inventories and analyses of greenhouse gas emissions, and to quadrennially prepare an assessment of whether this state is meeting current greenhouse gas emission reduction goals and of whether the state is likely to meet future goals. The bill requires DNR to propose new climate change programs or changes in existing programs or goals.

Under current DNR rules, the threshold for a stationary source of air emissions to report its emissions of carbon dioxide is 100,000 tons per year. The bill requires DNR to lower the threshold to 10,000 tons per year and to require a source that must report its emissions of carbon dioxide to also report methane and nitrous oxide emissions from the combustion of fuel.

DNR currently collects, models and estimates air emissions data from stationary, area and mobile sources. As a result, the Department can utilize existing resources to accomplish this goal. The quadrennial assessment report would require reallocation of resources once every four years.

The comprehensive accounting system needed to support analysis of whether the State is achieving its goals under AB 649 would create an additional demand for resources, but that demand is somewhat mitigated by parallel program developments that are responding to other DNR program demands. As result, by 2012, when the analysis for the first quadrennial report will begin, it is anticipated that additional data sources will be available thus reducing the overall cost and providing a more complete and useful system for all department needs. However, the system to measure changes in GHG due to changes in land use and management would still need to be developed.

Resources associated with developing and maintaining this system include:

1.0 GIS Programmer/Analyst \$74,000

1.0 Data Technician \$64,000

LTE Funding \$98,200

Reallocation of 1.0 FTE effort -0-
Supplies and Services Funds \$55,000
\$291,200

This level of resources would provide for:

1. Data Assessment interval - 2 years
2. Level of analysis is similar to the federal Forest Inventory and Analysis (FIA)
3. Continuity and consistency of the data and its analysis would be alleviated by use of FTE and an increased amount of ground truthing via use of LTE's and reallocation of existing field staff time.
4. Meets some of the anticipated needs of the department, but it is unclear to what extent.
 - a. Land use classifications would be more refined such as pine, northern hardwood, aspen/birch. As opposed to broader classifications like broadleaf or conifer.
 - b. Range of Scale would be 40 acre tracts subdivided into land types using tax parcel information.
5. Data and products would be housed in DNR.
6. Utilizes a combination of image processing extrapolation of other GIS data & ground-truth.

Additional resources could provide for more frequent updates, greater levels of classification detail, more extensive ground truthing.

2. Motor Vehicle Emission Standards-- This bill requires DNR to promulgate rules specifying emission limitations for vehicles that are identical to the California emission limitations, including the greenhouse gas emission limitations, but not including the zero emission vehicle requirements. The bill authorizes DNR to promulgate rules that are identical to the California zero emission vehicle requirements if DNR determines that those requirements would be an effective and efficient part of the strategy for this state to meet its greenhouse gas emission reduction goals. The bill also requires DNR to study any greenhouse gas emission reduction requirements applicable to other motor vehicles that California adopts after October 1, 2009, and to report the results of its study to the legislature.

DNR Air Management staff have already conducted, and continue to conduct, extensive research and analysis related to mobile source emissions, including from engine idling and as related to fuel combustion. In addition, EPA has initiated rule-making to regulate GHG emissions from on-road vehicles, and the resulting Federal emissions standards will be generally consistent with the California motor vehicle GHG standards. As such, this type of work would be conducted by the program regardless of whether this bill was enacted and will be accommodated with existing resources.

3. Low Carbon Fuel Standard-- This bill requires DNR to promulgate a rule requiring the reduction in the carbon intensity of transportation fuels sold in this state, if specified conditions are met. The bill requires DNR to promulgate the rule if an advisory group to the Midwestern Governors Association (MGA) makes recommendations on the design of a low carbon fuel standard and the recommendations are endorsed by the governors of a majority of the states whose governors endorsed the MGA Energy Security and Climate Stewardship Platform in 2007, including Wisconsin's governor. The DNR rule must be consistent with the advisory group's recommendations. The bill requires DNR to cooperate with other states in its activities related to the low carbon fuel standard, including in operating a regional system for trading credits that may be used to comply with the low carbon fuel standard.

(For fiscal effect see #2 above)

4. Assistance to Communities, Brownfields Site Assessment Grants-- This bill authorizes DNR, in awarding grants under the program, to give extra weight to projects that will result in a reduction of travel, energy use, or emissions of greenhouse gases or that are located in qualified areas. The bill also authorizes DNR to promulgate a rule that reduces the amount of matching funds that are required under the program for such a project to below 20 percent of the amount of the grant.

This provision will not require additional resources as it only applies new criteria to an existing program.

5. Surface Transportation Planning to Reduce Greenhouse Gas Emissions-- This bill requires DOT, in consultation with DNR, to establish statewide goals for reducing greenhouse gas emissions from surface transportation that will contribute to achieving the state's overall statewide greenhouse gas emission reduction goals.

This provision has limited DNR impact as DOT is the lead agency. (For fiscal effect see #2 above)

6. Environmental Evaluations for Transportation Projects-- The bill also requires DOT, in consultation with DNR, to appoint a technical advisory committee to make recommendations to DOT on: the factors to be

considered, and the methodology to be used, in preparing emission and energy evaluations; and setting a monetary value for greenhouse gas emissions and energy use, emission and energy evaluations; and setting a monetary value for greenhouse gas emissions and energy use.

Primarily DOT. DNR routinely consults with DOT on environmental impacts of transportation projects. This provision will not require additional resources to implement

7. Engine Idling-- This bill prohibits the operator of a motor truck, truck tractor, or road tractor (truck) from allowing the primary propulsion engine of the vehicle to idle for more than five minutes in any 60 minute period with certain specified exceptions. The bill also requires DNR to study ways to reduce greenhouse gas emissions from the idling of other kinds of engines.

(For fiscal effect see #2 above)

8. Greenhouse Gas Emissions by Major State Agencies-- Currently, with certain exceptions, DOA must ensure that the specifications for each state construction project require the use of recovered and recycled materials to the extent that such use is technically and economically feasible. This bill directs nine state agencies, including DNR, to prepare an analysis that estimates the amount of greenhouse gas emissions that are attributable to activities of the agency in calendar years 2005 and 2010; establish achievable reduction goals and develop a plan for achieving the goals by January 1, 2020.

DNR has had procedures in place for the last several years designed to reduce the Department's carbon footprint. This is demonstrated by LEED certified regional headquarters in Green Bay and Spooner. The Department also recently completed a Facilities Energy Efficiency Plan, which is consistent with these goals. Therefore, these requirements should not result in any additional costs to the Department.

9. Energy Crop Reserve Program-- This bill directs DATCP to establish and administer a program to subsidize the production of crops to be used for the production of fuel or energy. DATCP must annually report to DNR and DOA on the acres of land enrolled in the program, the number of tons and types of energy crops harvested under the program, and the costs of the program. This bill also requires DATCP and DNR to study whether financial incentives provided to bioenergy feedstock producers by state and federal programs, in effect on the effective date of the bill, are adequate to prompt the sustainable production of a supply of biomass that will significantly contribute to the achievement of state greenhouse gas emission reduction goals. If DATCP and DNR determine, as a result of the study, that current state and federal financial incentives are not adequate, they must recommend changes to current law and propose new legislation to induce bioenergy feedstock producers to sustainably increase their production of biomass to achieve state greenhouse gas emission reduction goals by July 1, 2013.

Primarily DATCP program, no on-going DNR costs.

10. Forestry-- Under current law, DNR awards grants to certain eligible private forest land owners to develop and implement forest stewardship management plans and to control invasive plants.

This bill requires DNR to promulgate rules that describe those forest stewardship management plan practices that are eligible for funding under the grant program. The bill also limits the matching contribution required to be made by a grant recipient who is awarded a grant to plant and maintain trees to not more than 25 percent of that portion of the grant that is for the costs incurred in planting and maintaining the trees, subject to the availability of funds. The bill requires DNR to provide technical assistance to promote sustainable forest management that increases the long term storage of carbon (carbon sequestration) in forests owned by private persons and to assist them to generate marketable credits that can be used by purchasers to satisfy limits on emissions of greenhouse gases. The bill requires DNR to produce standards and practices for monitoring and measuring carbon sequestration by forests. The bill also requires DNR to attempt to identify owners of private forest land who do not participate in forestry programs, and to notify those owners about available information and technical assistance.

The bill also establishes a multi-step process for the creation of a quadrennial report to the Legislature and Governor by the Climate Change Coordinating Council that evaluates whether the state is achieving its statewide GHG emission reduction goals and whether any state or local climate change related programs should be modified or created. This process includes the DNR collecting or estimating GHG emissions data from man-made and natural sources; preparing a state GHG emissions inventory and analysis of information in the inventory and preparing an assessment for the Council of changes in net GHG emissions and whether current and future statewide GHG emission reduction goals are being, or will be, met.

The provisions associated with grants and forest management will not require additional new resources as

they only apply new criteria or techniques to existing programs. Data needs would be satisfied by the system and resources described in #1 above.

11. Air Pollution Permitting For Sources Reducing Greenhouse Gas Emissions-- This bill requires DNR to implement measures to lessen air pollution permit obligations for the construction or modification of a stationary source for which a major source construction permit is not required if the construction or modification would significantly reduce emissions of greenhouse gasses.

This provision will not require additional resources as it only applies new criteria to an existing program.

12. Report On Cap and Trade Program-- This bill requires DNR to report to the legislature and the governor if the federal government establishes, or governors of this state and other Midwestern states recommend, a greenhouse gas cap and trade program.

The Department has been tracking legislative and other actions related to climate change and GHG regulation for several years. For example, in June 2009 the U.S. House passed comprehensive climate change legislation, and in September 2009 committee review commenced of the Senate's version of climate change legislation; the Air Program prepared several analyses of these bills, and responded to numerous questions from the public, potentially affected members of the regulated community, other state agencies, Wisconsin State and Federal legislators, and the Governor's office. This work was conducted using existing resources. Based on this, it is not anticipated that additional resources will be needed to prepare the report called for in the bill.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2009 Session

Detailed Estimate of Annual Fiscal Effect

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I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): 		
II. Annualized Costs:		
	Annualized Fiscal Impact on funds from:	
	Increased Costs Decreased Costs	
A. State Costs by Category		
State Operations - Salaries and Fringes	\$138,000	\$
(FTE Position Changes)	(2.0 FTE)	
State Operations - Other Costs	153,200	
Local Assistance		
Aids to Individuals or Organizations		
TOTAL State Costs by Category	\$291,200	\$
B. State Costs by Source of Funds		
GPR		
FED		
PRO/PRS		
SEG/SEG-S	291,200	
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)		
	Increased Rev	Decreased Rev
GPR Taxes	\$	\$

GPR Earned		
FED		
PRO/PRS		
SEG/SEG-S		
TOTAL State Revenues	\$	\$
NET ANNUALIZED FISCAL IMPACT		
	State	Local
NET CHANGE IN COSTS	\$291,200	\$
NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By		
Authorized Signature		Date
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