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2/26/2010

Fiscal Estimate Narratives

UWS 2/26/2010

LRB Number	09-4076/1	Introduction Number	AB-0649	Estimate Type	Original
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					

Assumptions Used in Arriving at Fiscal Estimate

Assembly Bill (AB 649) relates to reducing greenhouse gas emissions, increasing energy efficiency and the use of renewable resources to produce energy. The bill contains several provisions that will impact the UW-System.

Reduce Overall Energy Use by 2030

The average annual increase in UW-System energy use from FY73-FY09 was calculated to escalate energy use to 2030. Based on current technology and gross square footage, the estimated cost over the next 20 years to achieve this goal is \$499 million dollars (24.95 million per year).

Greenhouse Gas Emission Reductions

To achieve these goals, existing boilers at UW-System campuses would need to be replaced as part of heatin plant projects. Completing one energy plant project per biennium is estimated to cost \$10.5 million, or \$5.25 million per year.

Boiler Inspection Requirements

Annual inspections of 38 solid fired boilers and 92 gas fired burners would cost the UW-System \$187,000 per year.

Model Parking Ordinance

One time funding of \$130,000 GPR and 1.5 FTE: \$35,000 (\$17,000 Sal. \$6,000 FB., \$8,000 tuition remission, \$4,000 S&E) of the total funding would be used to hire a half-time project assistant to conduct research, coordinate with the advisory committee and develop the ordinance. \$95,000 (\$65,000 Sal., \$25,000 FB., \$5,000 S&E) would fund one full time position to conduct education and training (i.e. educate public and private entities about how to measure and achieve significant reductions in emissions of greenhouse gases and energy use through sustainable land use, green building, energy efficiency,

renewable energy and transportation approaches).

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2009 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

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I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): \$130,000 and 1.5 FTE. \$35,000 (\$17,000 Sal., \$6,000 FB., \$8,000 tuition remission, \$4,000 S&E) of the total funding would be used to hire a half-time project assistant to conduct research, coordinate with the advisory committee and develop the ordinance. \$95,000 (\$65,000 Sal., \$25,000 FB., \$5,000 S&E) would fund one full time position to conduct education and training (i.e. educate public and private entities about how to measure and achieve significant reductions in emissions of greenhouse gases and energy use through sustainable land use, green building, energy efficiency, renewable energy and transportation approaches). It has been suggested that the education and training component (\$95,000) be funded from SEG recycling funds.	
II. Annualized Costs:	Annualized Fiscal Impact on funds from:
	Increased Costs Decreased Costs
A. State Costs by Category	
State Operations - Salaries and Fringes	\$30,387,000
(FTE Position Changes)	
State Operations - Other Costs	
Local Assistance	
Aids to Individuals or Organizations	
TOTAL State Costs by Category	\$30,387,000
B. State Costs by Source of Funds	
GPR	30,387,000
FED	

PRO/PRS		
SEG/SEG-S		
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	\$30,387,000	\$
NET CHANGE IN REVENUE	\$	\$
Agency/Prepared By		
Authorized Signature		
Date		
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