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(FORM UPDATED: 08/11/2010)

WISCONSIN STATE LEGISLATURE ...
PUBLIC HEARING - COMMITTEE RECORDS

2009-10

(session year)

Assembly

(Assembly, Senate or Joint)

Special Committee on Clean Energy Jobs...

COMMITTEE NOTICES ...

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**

INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

- Appointments ... **Appt** (w/Record of Comm. Proceedings)
- Clearinghouse Rules ... **CRule** (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)
(ab = Assembly Bill) (ar = Assembly Resolution) (ajr = Assembly Joint Resolution)
(sb = Senate Bill) (sr = Senate Resolution) (sjr = Senate Joint Resolution)
- Miscellaneous ... **Misc**

* Contents organized for archiving by: Stefanie Rose (LRB) (December 2012)

1/8/2010



Governor Jim Doyle
Wisconsin State Capitol
PO Box 7863
Madison, WI 53707

Dear Governor Doyle,

I am writing to tell you that the spending on clean energy and efficiency is creating jobs for my company and you should get a pat on the back for your leadership on the issue of clean energy and jobs.

Our company, Energy Performance Specialists of McFarland, specializes in energy efficient lighting. We are one of the companies that has benefited from this investment of tax money and the Stimulus bill, along with taxpayers and businesses. I can tell you right now, this so-called "spending" on energy efficiency projects is actually a wise investment in our future.

We remove old light fixtures, which I refer to as energy hogs and replace them with energy efficient lighting, mostly made in the USA. We have been so successful at reducing energy consumption for the Wisconsin Department of Transportation Madison facility that Madison Gas & Electric actually called and wanted to check their meter. They thought it was defective because energy consumption dropped so dramatically. This happened at another one of our projects in Wisconsin Rapids.

The investments you are making are not only helping the state cut energy costs, but they also clean the air we breathe. I use the phrase "clean the air" because how can you be against cleaner air even if you do not believe in climate change?

On top of this, our company has hired more people to do this work. We are a small business and started with two employees in 2003. At the end of 2008 we had 10 employees and now employ 21 people. All of the people we hired did not have jobs when we hired them. One of our new workers, Robert Enerson lives in Reedsburg, he has three kids and his wife works at home. He was out of work for 2 months, and is now an electrical apprentice making more than \$30 an hour.

The bottom line for Energy Performance Specialists is the money you are investing into energy efficiency creates jobs for us and savings for taxpayers. We are putting people to work, the state is permanently reducing its energy costs, and we are cleaning the air, and reducing greenhouse gases. On behalf of Energy Performance Specialists and our employees, thank you for this investment!

We invite you to tour some of the jobs we have done for the state and others so you can see how we are creating better lighting, safer working conditions, better jobs, and saving the taxpayers of the State of Wisconsin money. Keep up the good work.

Sincerely,

A handwritten signature in black ink that reads "Rodney Heller". The signature is fluid and cursive, with the first name "Rodney" being more prominent.

Rodney Heller
Managing Partner
Energy Performance Specialists





Wisconsin Bio Industry Alliance

Monday, January 18, 2010

Representatives Black and Soletski
Co-Chairs, Special Assembly Committee on Clean Jobs
State Capitol
P.O. Box 8952
Madison, WI 53708

Dear Representatives Black and Soletski:

On behalf of the members of the Wisconsin Bio Industry Alliance, the largest statewide bio industry non-profit organization in Wisconsin, I would like to register our position on two provisions of the global warming bill.

Together, our members represent thousands of jobs and tens of millions of dollars of revenue for the state. Since taking office Governor Doyle has been one of our strongest advocates and biggest cheerleaders.

With that said, we have serious concerns regarding some of the specific proposals in the 174 page global warming legislation based on recommendations from the Governor's Global Warming Task Force.

The legislation calls for a **Low Carbon Fuel Standard**, which seeks to limit "carbon intensive" fuels that –by definition – include the 500 million gallons of renewable bio fuels produced here in the state.

The bill supports contentions that locally produced bio fuels here in Wisconsin are dirtier than oil imported from foreign countries. In all respect, the WBIA refutes the idea that corn-based ethanol produced here is carbon negative and contributes to Green House Gas Emissions. To the contrary, we agree with the American Lung Association that burning ethanol blends such as E85 reduces GHG Emissions.

The proposed **California Car Low Emission Vehicle Standards** would also require Wisconsin to adopt California's low emission vehicle standards, which penalize drivers operating alternative fuel vehicles that run on higher blends of ethanol.

Wisconsin policy-makers should not adopt the judgments of the California Air Resources Board, which are now subject to a major lawsuit because of their bias against bio fuels.

As an industry, we're confident these issues can be resolved to preserve jobs here in Wisconsin while promoting bio-based renewable fuels such as ethanol and bio diesel.

We welcome the opportunity to provide empirical evidence to support the ideas presented in this letter.

Respectfully,

Robert Sather
Board President, WBIA

cc: Members of the Special Assembly Committee on Clean Energy Jobs
Roy Thilly and Tia Nelson, Co-Chairs of the Governor's Task Force on Global Warming



Assembly Special Committee on Clean Energy Jobs
Senate Select Committee on Clean Energy

Briefing on Assembly Bill 649 and Senate Bill 450

John Stolzenberg and David L. Lovell
Legislative Council

January 20, 2009

Legislative Council Documents

- Topical Index
- Overview
- Description
- Status of implementation of Governor's Task Force final report (Coming Soon)

Posted at

<http://www.legis.state.wi.us/lc/publications/climate/index.htm>

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Thrusts of Bill

- Goals
- Energy generation
- Energy use
- Emissions regulations

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Briefing Overview

- Goals
- PSC-administered programs
- Transportation
- Buildings and equipment
- State and local government

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Briefing Overview, con't.

- Bioenergy
- Industrial energy efficiency
- Cap and trade program report
- Program coordination and evaluation
- Public education

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What Bill Does NOT Do

- Does not implement the entire Task Force report
- Does not create a "cap and trade" program

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Funding and Position Authorizations

The bill:

- Funds some programs via fees and assessments
 - Other programs unfunded
- Creates delayed appropriation for Energy Crop Reserve Program
 - \$0 in Ch. 20 schedule
- Does not authorize any state positions

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Goals

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Goals

- Greenhouse gas (GHG) emissions
- Energy conservation
- Renewable energy
- New buildings

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Goals

- Goals are aspirational, not enforceable
- Parallel goals apply to state government and to the state, as a whole

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PSC-Administered Programs

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PSC-Administered Programs

- Energy efficiency programs
- Renewable Portfolio Standard
- Renewable ("Feed-In") Tariffs
- New nuclear power plants

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Energy Efficiency Programs

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Energy Efficiency Programs

Current programs:

- Statewide programs
 - Funded by electric and natural gas utilities
 - Operated by 3rd party administrator as "Focus on Energy"
- Coops and municipal utilities
 - "Commitment to Community" programs
 - Option of participating in statewide programs

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Energy Efficiency Programs

The bill addresses:

- Scope
- Funding
- Program accountability
- Utility earnings
- Wholesale suppliers

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Scope

- Current programs apply to users of electricity and natural gas
- Bill expands programs to users of LP gas and heating oil

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Funding – Statewide Programs

- Current statewide programs funded at 1.2% of utilities' annual operating revenues
- Bill replaces this with 4-step process to set program goals and budgets

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Funding – New 4-Step Process

Estimate of energy savings potentially achievable by programs ("potential study")



Program goals based on estimates



Program budgets based on goals



Program funding collected by energy suppliers, based on budgets

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Funding – Commitment to Community Programs

- Current Commitment to Community programs funded at \$8 per meter
- Under bill, the coop or municipal utility sets its budget

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Program Accountability

- Tighter auditing and reporting
- PSC review of programs that fail to meet goals
 - If good-faith effort was made, use review to improve program
 - If no good-faith effort found, impose remedies

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Remedies

Remedies include:

- Make up missed portion of goals
- Exercise penalty provisions of contracts
- Modify or terminate contracts
- Require coop or municipal utility to contract with statewide program

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Utility Earnings

Current law: Utilities earn return on capital investments

The bill: Utilities may also earn return on efficiency investments:

- Only if PSC determines investment is cost-effective means of advancing efficiency
- Only on portion of capital expense attributable to increase in efficiency over alternatives

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Wholesale Suppliers

Wholesale electric coops and "municipal electric companies"

- May assume all program responsibilities on behalf of members and customers
- May demonstrate compliance of members and customers in aggregate

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Renewable Portfolio Standard (RPS)

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Renewable Portfolio Standard (RPS)

The bill:

- Revises the standard
 - Includes in-state component
- Expands sources of energy included
- Revises renewable resource credits

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Current Standard

Percentage of electricity sales that must be from renewable resources:

- 2006-09: 4%
- 2010-14: 6%
- 2015 and thereafter: 10%

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New Standard

Percentage of electricity sales that must be from renewable resources:

- 2010-12: 6%
- 2013-19: 10%
- 2020-24:
 - 20% overall
 - 6% from in-state sources
- 2025 and thereafter:
 - 25% overall
 - 10% from in-state sources

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Sources of Energy Included – Hydroelectric

Current law: excludes energy from facilities > 60 MW

The bill:

- Includes energy from facilities >60 MW only for new capacity located out of state
- Limits on use of new Manitoba Hydro facilities

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Sources of Energy Included – Solid Waste

Current law: includes energy from pre-1998 facilities that burn refuse-derived fuel

The bill: also includes energy from pre-1998 facilities that both:

- Burn waste from which recyclable and non-combustible materials have been removed; and
- Are owned by a county in this state

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Sources of Energy Included – Nonelectric Energy

- Thermal output from:
 - Cogeneration plant
 - Existing boiler converted to biomass fuel
 - Geothermal system
 - Solar water heating system
- Biogas
- Light delivered by “light pipe”

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Sources of Energy Included – Nonelectric Energy

Included in RPS only if the energy:

- Is generated in this state at a facility placed in service after effective date
- Displaces use of fossil fuels

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Renewable Resource Credits – Current Law

- Credit created if electric provider sells excess renewable energy
- Credits tradable, bankable
- Credits expire generally after 4 years
- Exception – no credit from utility-owned hydroelectric facilities

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Renewable Resource Credits – The Bill

- Credits created when renewable energy generated
- Credits are a commodity separate from the renewable energy
- Credits tradable, bankable
- Credits do not expire
- Exceptions – no credits from:
 - Utility-owned hydroelectric facilities
 - Nonelectric energy

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Wholesale Suppliers

Wholesale electric coops and "municipal electric companies" may demonstrate compliance:

- On behalf of members and customers
- Of members and customers in aggregate

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Renewable ("Feed-In") Tariffs

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Renewable ("Feed-In") Tariffs

- What is it?
- Requirement
- Exceptions and program limits

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What's a Renewable Tariff?

- Requirement that electric utilities:
 - Offer to purchase electricity generated from a renewable resource
 - Under standard, predefined purchase terms and conditions prescribed by a utility regulator
- Typically applied to small-scale, distributed facilities

37

Requirement

PSC must order retail electric utilities to offer renewable tariffs for at least:

- Photovoltaic energy
- Wind power
- Gas made from a renewable resource

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Exceptions and Program Limits

- Exceptions permitted for -
 - Large electric utility's voluntary initiatives
 - Small electric utilities
 - Differing terms and conditions mutually agreed to by utility and renewable facility owner or operator
- PSC may limit requirement based on number of facilities, total generating capacity, or total renewable energy

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New Nuclear Power Plants

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New Nuclear Power Plants

- Current law
- Approval of new plants
- Application of other utility regulations
- Non-severability clause
- Delayed effective date

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Current Law

- Any new power plant over 100 MW must obtain a certificate of public convenience and necessity (CPCN) from PSC
- Exemption for merchant plants:
 - "Needs" test
 - Certain design considerations

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Current Law, con't.

Nuclear power plants have additional CPCN requirements:

- Federally licensed high-level nuclear waste disposal facility
- Comparatively economically advantageous to ratepayers

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Approval of New Nuclear Power Plants Under Bill

- Applies CPCN to any size nuclear plant, irrespective of ownership
- Changes CPCN requirements:
 - Replaces radioactive waste disposal req't.
 - Modifies comparative economic benefit req't.
 - Adds reasonable cost req't.
 - Removes merchant plant exemptions
 - Removes needs test and adds entire output req't.

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Application of Other Utility Regulations

Bill applies certain utility regulations to new nonutility nuclear power plants:

- Certificate of authority for plant improvements
- Decommissioning
- PSC approval of plant sale
- Service standards
- Questionnaires
- Penalties

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Non-Severability Clause

Bill includes a clause that voids all nuclear related provisions in the bill if:

- A court finds the new entire output req't. unconstitutional

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Delayed Effective Date

All nuclear related provisions in the bill delayed until:

- PSC has initially implemented new energy efficiency and RPS programs
- PSC has published a notice after these actions completed

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Vehicles, Fuels, Planning, and Transportation Infrastructure

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Vehicles, Fuels, Planning, and Transportation Infrastructure

- California vehicle emissions standards
- Engine idle reduction
- Low carbon fuel standard
- Carbon-audited transportation investments
- DOA planning grants for compact development
- Model parking ordinance
- Surface transportation planning
- Growth accommodation incentives

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CA Vehicle Emissions Standards

- Required by DNR rule: CA GHG emission standards and other emission standards
 - Applies to passenger cars, light-duty trucks, and medium-duty passenger vehicles > 10,000 pounds
 - Must conform with Clean Air Act
- Authorized by DNR rule: CA zero emission vehicle (ZEV) standards
 - Only if effective and efficient way to meet state GHG emission reduction goals

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Engine Idle Reduction

Prohibits freight truck drivers after January 1, 2011:

- Idling truck's primary propulsion engine > 5 minutes in any 60-minute period:
 - Applies on or off a highway
 - 7 exceptions (traffic jam, outdoor temperature, medical needs, maintenance, etc.)

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Low Carbon Fuel Standard (LCFS)

- What is a low carbon fuel standard?
- Requirement

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What is a Low Carbon Fuel Standard?

- Specifies allowable weight of GHG emissions per unit energy content of transportation fuels sold by provider
- Determined over the "life cycle" of a fuel

53

Requirement

- Requires DNR to specify a state LCFS by rule if:
 - MGA advisory group recommends model standard
 - 9 specified governors, including WI Governor, endorse model standard
- Any LCFS must be consistent with model standard and include regional credit trading system

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Carbon-Audited Transportation Investments

- DOT must include in transportation project environmental analysis an evaluation of GHG emissions and energy use, if it:
 - Prepares an EIA or EA on the project
 - Project funded partly or totally with state funds
- DOT must consider GHG emissions and energy use in its 2030 multimodal transportation plan

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DOA Planning Grants for Compact Development

Promotes "traditional neighborhood development" (TND) by:

- If a grant includes TND, requires recipient to:
 - Consider specified TNDs;
 - Whether TND designation would result in a reduction in travel, energy use, or GHG emissions
- Adds grant preference criterion for consideration of TND

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Model Parking Ordinance

- Directs UW-Extension to develop model market-pricing parking ordinance.

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Surface Transportation Planning

Requires DOT and metropolitan planning organizations (MPOs) to:

- Set surface transportation GHG reduction goals
- Incorporate, "to the extent practicable," strategies identified by DOT for reducing GHG emissions into transportation plans and programs
- Assess and report on implementation of their strategies and progress in meeting their goals

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Surface Transportation Planning, con't

Prohibits DOT from funding an MPO unless MPO has made a good faith effort to:

- Incorporate DOT's GHG reduction strategies
- Use DOT's methods and procedures in its plans and programs

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Growth Accommodation Incentives

Applies to 5 economic development grant or loan programs:

- Transportation Facilities Economic Assistance and Development Program (DOT)
- Brownfields Site Assessment Grants (DNR)
- Main Street Program (Commerce)
- Brownfields Grant Program (Commerce)
- Forward Innovation Fund (Commerce)

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Qualifying Projects

- Result in a reduction of travel, energy use, or GHG emissions
- OR
- Located in an area designated for a qualifying TND, subject to green building code or to a qualifying "Green Tier" project

61

Types of Incentives

- Authorizes administering agency to give greater weight in determining whether to make award to a municipality or county
- Changes required match, amount of assistance, or other grant conditions
- Does not change program funding

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Energy Efficient Buildings and Equipment

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Energy Efficient Buildings

- Building Codes
- Use of Int'l Energy Conservation Code
- "Green Building Code"
 - Voluntary, in private sector
 - Most state building projects must comply
- Conservation standards for ag. buildings

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Energy Efficient Equipment

- Consumer Appliances:
 - Standards for TVs, DVDs, and certain audio equipment
- Industrial Boilers:
 - Owners must annually inspect and adjust to maximize efficiency

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State and Local Government

State and Local Government

- State agencies
- School districts
- Municipal governments

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State Agencies

Agencies with largest energy use must:

- Assess GHG emissions
- Set GHG emission reduction goals
- Develop plans to meet goals
- DOA develops guidelines and protocols

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School Districts

Same program as state agencies, but voluntary

- OEI to assist interested districts

69

Municipal Governments

Excludes expenditures on energy projects from levy limits

- Similar provision applicable to school districts enacted in 2009 Act 28

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Bioenergy

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Bioenergy

- Biomass production on crop lands
- Biomass production on forest lands
- Study of market incentives

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Biomass Crop Reserve Program

Financial assistance for establishment and production of biomass crops

- Cost-sharing payments – cost of planting
- Income replacement payments – until crop can be harvested
- Production payments – per ton of crop harvested and used for energy production

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Biomass Crop Reserve Program

- DATCP contracts with growers
- Growers must comply with:
 - Planting and harvesting guidelines
 - Soil and water conservation standards

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Biomass Production on Forest Lands

- Private Forest Landowner Grant Program
 - Reduced co-pay for tree planting
- Emission reduction credits
 - DNR to develop standards
- Outreach to private forest owners
 - Education about GHG reductions, credits

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Bioenergy Feedstock Production Incentive Study

- Study whether current incentives are sufficient to motivate biomass production
- Consider incentives created by:
 - Private markets
 - Government programs

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Industrial Efficiency Incentives

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Industrial Efficiency Incentives

- Air permitting streamlining for minor source projects reducing GHG emissions
- 25% set aside of federal "volume cap" for municipal IRB's for:
 - Clean energy manufacturing facilities
 - Renewable power generating facilities

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Cap and Trade Program Report

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Cap and Trade Program Report

Directs DNR to report to Legislature and Governor if:

- Federal cap and trade program established

OR

- Regional cap and trade program recommended by Midwestern governors, including WI Governor

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Program Coordination and Evaluation

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Climate Change Coordinating Council (CCCC)

- Membership: Secretaries of 6 agencies, plus UW-System and OEI
- Duties:
 - Assist state agencies with climate programs
 - Prepare quadrennial policy review and report
 - Promote and coordinate education programs
- Staff support provided by represented agencies

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Program Evaluation – Multi Step Process

DNR information gathering & analysis
↓
DNR quadrennial assessment
↓
CCCC quadrennial policy review & report to Legislature & Governor

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DNR Information Gathering & Analysis

- GHG emissions and sequestration information
 - Emission reporting requirements
- New accounting system to estimate net annual GHG emissions from natural sources
- GHG inventories and analyses

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DNR Quadrennial Assessment - Inputs

Based on review of:

- Changes in net GHG emissions
- Public & private climate change goals and programs
- Other relevant information, including other agency reports in the bill

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DNR Quad. Assessment - Content

- Whether state meeting GHG emissions reduction goals
 - Whether making continuous progress
- If needed, proposals for alternative programs to meet goals
- Changes in goals or nonregulatory programs
 - Effectiveness, cost, federal initiative or new scientific understanding
- Impacts of new or changed programs on state GHG emissions and energy use

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CCCC Quadrennial Policy Review & Report

- Whether state meeting GHG emissions reduction goals
 - Making continuous progress
- If needed, changes in programs to meet goals
- Other changes in goals
- Impacts of recommendations on state GHG emissions, energy use, and economy

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Public Participation

- DNR's GHG emissions inventories
- DNR's methodologies to estimate effects of policies, etc. on GHG emissions
- DNR's quadrennial assessments

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Public Education

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Public Education

- CCCC to coordinate statewide public education programs
- Priority on programs for students and teachers

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Public Education Program Elements

- State GHG and energy goals
- Assessments of GHG emissions
- State activities related to GHG emissions
- Actions other persons can take
- Other significant mitigation and adaptation strategies
- Causes and effects of climate change

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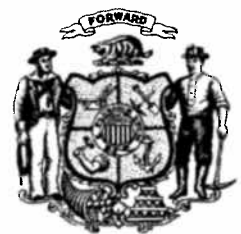
Public Education - Internet

- DNR must maintain climate change web site
- Central Internet site for state
- Present data, inventories, reports, etc.

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WISCONSIN STATE LEGISLATURE



January 21, 2010

From: The Homegrown Renewable Energy Campaign

A-A Exteriors.com

Agrecol Corporation

Arch Electric, LLC

Artha Sustainable Living Center LLC, Amherst

Better Environmental Solutions

Biomass Solution

Bubbling Springs Solar

Cardinal Solar, Sun Prairie

Clean Wisconsin

Clear Horizons

Cosmic Walker Wood Products

D & D Equipment

EcoEnergy LLC

Ecomanity, LLC

Energies Direct

Energize, LLC

Energy Concepts, Inc.

Full Spectrum Solar

GHD, Inc.

Global Energy Options

GrassWorks, Inc

Green Diesel Wisconsin Foundation

H&H Solar Energy Services, Inc.

Lake County Energy

Lake Michigan Wind and Sun, Ltd.

Legacy Solar

Marathon Renewable Energy, Inc.

Marth Wood Products

Michael Fields Agricultural Institute

Midwest Renewable Energy Association

Next Step Energy, LLC, Eau Claire

Northwind Renewable Energy, LLC, Stevens Point

Organic Valley Cooperative

Partners in Forestry Landowners Cooperative

Photovoltaic Systems, LLC

Prairie Solar Power & Light

RENEW Wisconsin

Ritger Law Office

Seventh Generation Energy Systems

The Nature Conservancy

Timmerman's Talents

UrbanRE Vitalization Group

W.E.S. Engineering

Wave Wind, LLC

Wind Energy Systems LLC, Iron Ridge

Wisconsin Center for Environmental Education

Wisconsin Farmers Union

Wisconsin League of Conservation Voters

To: Senator Jeff Plale – Chair, Senate Committee on Commerce, Utilities, Energy, and Rail
Senator Mark Miller – Chair, Senate Committee on Environment
Representative Jim Soletski – Chair, Assembly Committee on Energy and Utilities
Representative Spencer Black – Chair, Assembly Committee on Natural Resources

Copy: Governor Jim Doyle
Wisconsin State Legislators
Members, Governor's Task Force on Global Warming

RE: Support for policies included in the Clean Energy Jobs Act (AB 649 & SB 450):
Advanced Renewable Energy Tariffs, Low Carbon Fuel Standard, Energy Crop Reserve Program, and Fuels for Schools and Communities

The Homegrown Renewable Energy Campaign was formed to support policies that will create jobs and spur economic growth in Wisconsin's rural communities by creating new opportunities for farmers, foresters, rural landowners, and businesses to participate in a clean energy economy. All four of our campaign's core policies have been included to some degree in the Clean Energy Jobs Act recently introduced in the state legislature. The Homegrown Renewable Energy Campaign supports these policies as included in the bill and looks forward to working with legislators to ensure that the policies can be strengthened to maximize the benefit to Wisconsin's farm and rural economies.

Advanced Renewable Energy Tariffs

There are currently no guarantees that individuals, farmers, businesses and entrepreneurs wishing to make investments in renewable energy will receive fair prices from their electric utilities for extra energy they produce from their small-scale renewable energy systems. In the past, electric utilities voluntarily purchased electricity from owners of manure digesters, wind turbines and solar panels for excess energy those systems produce. These programs provided farmers with an additional revenue stream and brought more dollars into rural areas. Unfortunately, many Wisconsin utilities are no longer offering these programs (known as feed-in tariffs).

The Clean Energy Jobs Act charges the Public Service Commission to design mandatory programs that would create fair payments (also called Advanced Renewable Energy Tariffs or ARTs) for excess energy produced from customer-sited renewable energy systems. Fair buy-back rates encourage investments in small-scale renewable energy generation by providing fixed returns that allow farmers, homeowners, businesses and municipalities to adequately plan for the upfront investments these projects require. Because they are structured to support only local generation sources, Advanced Renewable Energy Tariffs are especially effective at attracting renewable energy manufacturers, creating local jobs, reducing energy bills and stimulating Wisconsin's economy.

The Homegrown Renewable Energy Campaign encourages the Wisconsin State Legislature to strengthen this section of the Clean Energy Jobs Act by removing language that exempts Rural Electric Cooperatives and Municipal Utilities from offering Advanced Renewable Energy Tariffs. In general the rural areas covered by these utilities are endowed with quality resources and have the greatest need for sustainable economic development. Furthermore, we believe that ensuring energy producers a fixed price, including a return on investment is essential to the success of a renewable energy tariff program. Rates that remain stable over time are essential to providing the financial certainty that will lift these industries to new heights.

Low Carbon Fuel Standard

A Low Carbon Fuel Standard would help break our dependence on foreign sources of oil and promote energy independence by gradually moving Wisconsin toward the cleanest and most efficient sources of transportation fuels. A Low Carbon Fuel Standard rates different types of transportation fuels by their efficiency and carbon footprint and establishes a schedule for using low-carbon fuels to power our vehicles.

Biofuels are a winner under a Low Carbon Fuel Standard. The economic benefit of producing fuel from Wisconsin farms has been clearly demonstrated in recent years. A Low Carbon Fuel Standard will create a market for more farmers to sell their crops. All of the existing corn ethanol plants in Wisconsin use natural gas and have a lower carbon footprint than coal-fired ethanol plants in adjacent states; Wisconsin has tremendous opportunities to lower the carbon footprints of its corn ethanol plants even more by switching from natural gas to biomass for process heating. Moreover, if adopted, the Clean Energy Jobs Act would allow the thermal energy from biomass used in the ethanol refining process to count towards the state's Renewable Energy Standards in 2020 and 2025. Advanced forms of biofuel under development in Wisconsin, such as cellulosic ethanol, biomass gasification diesel, and green gasoline will become particularly attractive due to their high efficiency and low carbon footprint. This policy will help ensure that Wisconsin remains a leader in the development of biofuels for decades to come.

Methane digesters on farms, factories and food processing plants will be especially attractive when producing biogas that can be used as a transportation fuel under a Low Carbon Fuel Standard. There are already several businesses and farms in Wisconsin producing biogas with methane digesters. Businesses

across the state have begun to produce the equipment for distributing the fuel and manufacturing components for vehicles specifically designed to use these homegrown transportation fuels.

The Homegrown Renewable Energy Campaign encourages the Wisconsin State Legislature to strengthen this provision in the Clean Energy Jobs Act by adding language that would set targets reducing the carbon content of our fuels at least 10% by the year 2020 as recommended by the Governor's Global Warming Task Force.

Energy Crop Reserve Program

The Energy Crop Reserve Program would direct payments to farmers and landowners who begin planting crops that can later be sold for the production of biofuels. This policy will ensure that farmers and landowners can continue to make profits from their working lands as they transition to the production of biofuels. Ensuring that there is an adequate supply of biomass will create even more economic development as the number of businesses, aggregators, distributors and biofuel producers increase in the state to take advantage of these new resources.

The legislation directs the Department of Agriculture, Trade and Consumer Protection to begin rulemaking proceedings to design an effective Energy Crop Reserve Program. The Homegrown Renewable Energy Campaign encourages the Wisconsin State Legislature to support the Energy Crop Reserve Program.

Fuels for Schools and Communities

The Homegrown Renewable Energy Campaign also supports adding language to the Clean Energy Jobs Act that would create a Renewable Fuels for Schools and Communities program. Seven other states have already adopted similar policies that would establish a revolving loan program to generate capital for the purchase of equipment for biomass systems to be installed in schools and government-owned buildings. Wisconsin schools spend close to \$200 million dollars each year on energy. A recent study by the Biomass Energy Resource Center found that "200 to 300 schools in Wisconsin now heating with natural gas may find biomass heating economical at current fuel prices and these systems will often cash flow positive in their first year of installation." Biomass heating will save schools and communities tens of thousands of dollars in heating costs each year and help increase demand for local sources of energy. Also, if adopted, SB450/AB 649 would allow the thermal energy from biomass heating systems installed through this policy to count towards the state's Renewable Energy Standards in 2020 and 2025.

The Clean Energy Jobs Act currently directs the Office of Energy Independence (OEI) to provide information, encouragement and assistance to school districts to provide opportunities for renewable energy. The Homegrown Renewable Energy Campaign supports including specific language that would designate a state agency responsible for establishing a revolving loan program for schools and communities to invest in biomass systems.

As members of the Homegrown Renewable Energy Campaign, we would like to indicate our support for Advanced Renewable Energy Tariffs, a Low Carbon Fuel Standard, the Energy Crop Reserve Program, and for the addition of a Fuels for Schools and Communities provision in the Clean Energy Jobs Act. We look forward to working with the Legislature to ensure that these policies designed to promote economic growth in Wisconsin's rural economies remain integral parts of the Clean Energy Jobs Act.

Thank you for your consideration.

Members of the Homegrown Renewable Energy Campaign

Homegrown Renewable Energy Campaign



The Homegrown Renewable Energy Campaign began in 2008 to advance policies that would build Wisconsin's rural economies by spurring investments in renewable energy technologies. The following organizations and businesses have signed on in support of the campaign goals of Advanced Renewable Tariffs, a Low Carbon Fuel Standard, an Energy Crop Reserve Program, and a Renewable Fuels for Schools and Communities Program:

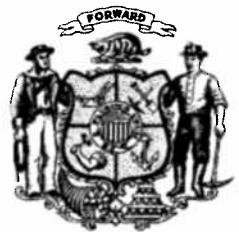
A-A Exteriors.com
Agrecol Corporation
Arch Electric, LLC
Artha Sustainable Living Center LLC, Amherst
Better Environmental Solutions
Biomass Solution
Bubbling Springs Solar
Cardinal Solar, Sun Prairie
Clean Wisconsin
Clear Horizons
Cosmic Walker Wood Products
D & D Equipment
EcoEnergy LLC
Ecomanity, LLC
Energies Direct
Energize, LLC
Energy Concepts, Inc.
Full Spectrum Solar
GHD, Inc.
Global Energy Options
GrassWorks, Inc
Green Diesel Wisconsin Foundation
H&H Solar Energy Services, Inc.
Lake County Energy

Lake Michigan Wind and Sun, Ltd.
Legacy Solar
Marathon Renewable Energy, Inc.
Marth Wood Products
Michael Fields Agricultural Institute
Midwest Renewable Energy Association
Next Step Energy, LLC, Eau Claire
Northwind Renewable Energy, LLC, Stevens Point
Organic Valley Cooperative
Partners in Forestry Landowners Cooperative
Photovoltaic Systems, LLC
Prairie Solar Power & Light
RENEW Wisconsin
Ritger Law Office
Seventh Generation Energy Systems
The Nature Conservancy
Timmerman's Talents
UrbanRE Vitalization Group
W.E.S. Engineering
Wave Wind, LLC
Wind Energy Systems LLC, Iron Ridge
Wisconsin Center for Environmental Education
Wisconsin Farmers Union
Wisconsin League of Conservation Voters

For more information about the Homegrown Renewable Energy Campaign, please contact Bridget Holcomb of the Michael Fields Agricultural Institute at bridget@michaelfieldsagainst.org or by phone at 608-256-1859.



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RENEW denounces WMC's "fact-free flip-flop" in radio ad on energy bill

RENEW Wisconsin's Executive Director Michael Vickerman assailed the credibility of a new radio ad launched by Wisconsin Manufacturers and Commerce (WMC) that characterizes the Clean Energy Jobs Act bill as an unaffordable extravagance.

"WMC executed an astonishing fact-free flip-flop with its claim that the legislation (AB 649/SB 450) would raise an average family's electricity bill by more than \$1,000 a year. What's astonishing about it that WMC is conveniently forgetting existing ratepayer protections, which it endorsed – and claimed credit for -- when similar legislation passed in 2006," Vickerman said.

When the state's current renewable portfolio standard (RPS) was passed (which directed utilities to source 10 percent of their electricity from renewable generation by 2015), WMC ran an article on its website with the headline "'Energy Efficiency and Renewables Act' Will Protect Ratepayer Dollars." That article can be accessed at <http://www.wmc.org/display.cfm?ID=1256>.

The article says that WMC was instrumental in ensuring that "ratepayer groups will have a clear opportunity to seek delays in the implementation of new renewable portfolio standards, should they have an unreasonable effect on electric rates."

The Clean Energy Job Act bill would continue those ratepayer protections enacted in 2005 Act 141. So far no utility or energy advocacy group has requested an implementation delay under the current renewable energy standard.

In order for an average family's bill to increase \$1,000 a year, according to Vickerman, electric rates would have to double.

"That will never happen because groups like WMC, Citizens Utility Board, and the Wisconsin Industrial Energy Group would intervene aggressively on behalf of their member using the existing ratepayer protections," Vickerman stated.

Since the adoption of Act 141's renewable energy requirements, Madison Gas and Electric's residential ratepayers have seen annual increases of only 0.8 percent through 2009, even though the utility is already in compliance with the 2015 standard, added Vickerman.

"This outrageous claim is just another example of WMC's decision to lob grenades instead of working constructively to forge a responsible partnership with all parties to create family-supporting jobs in the clean energy sector," Vickerman said.

"It's clear that WMC made up its mind to oppose the Clean Energy Jobs Act bill long before its contents were even known to the public," Vickerman stated.

"There is no more obvious proof of this than WMC's sponsorship of a so-called study by the Wisconsin Public Research Institute (WPRI) that claims that the bill's provisions to expand renewable energy supplies would cost utilities \$16 billion."

RENEW previously critiqued the WPRI report in a report titled "Think Tank Flunks Renewable Energy Analysis." (http://renewmediacenter.blogspot.com/2009/12/think-tank-flunks-renewable-energy_22.html)

"WPRI's assertions demonstrate yet again that if you torture your economic models long enough, they will confess to anything," Vickerman said.

END

RENEW Wisconsin (www.renewwisconsin.org) is an independent, nonprofit 501(c)(3) organization that acts as a catalyst to advance a sustainable energy future through public policy and private sector initiatives.