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Details:

(FORM UPDATED: 08/11/2010)

WISCONSIN STATE LEGISLATURE ...
PUBLIC HEARING - COMMITTEE RECORDS

2009-10

(session year)

Senate Select

(Assembly, Senate or Joint)

Committee on ... Clean Energy (SCC-CE)

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: Gigi Godwin (LRB) (November/2011)

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February 10, 2010

Senate Bill 450 Hearing
Select Committee on Clean Energy
By Senators By Representatives Black and Soletski; cosponsored by Senators Miller and Plale, by request of Governor James E. Doyle

Topic of Comments: Energy Efficient Buildings and Equipment

Senators and Wisconsin Citizens:

Keith Spruce, here, representing myself.[1] I am a Wisconsin Architect & Building Code Official for the City of Milwaukee; Wisconsin Resident, 7th Senate District, City of Milwaukee. I am not presenting any view of the City Milwaukee; speaking in favor of SB 450--

On the topic of adopting enhanced energy conservation building codes for greater energy efficient buildings in Wisconsin under hearing today for considerations of comment and proposed modification to SB 450 legislation of clean energy and jobs act--

From both a progressive and conservative perspective we are faced with impending change in our Wisconsin economy as we enter the post-peak oil era,[2] a range of views found from the environmental efforts of Gaylord Nelson to the wars under George & F.W. Bush that implicate our interest to maintain mid-east oil supply[3].

Robert F Kennedy Jr said, *"...people complain that environmental regulations somehow impede the free market economy. But you might as well claim that laws forbidding piracy or theft impede the free market. The whole point of environmental laws is to impose a true free-market economy by policing and punishing the cheaters."*[4]

From a conservative perspective of conern for national security and economic stability and on the reality of the issue of Peak Oil alone brings us all to the one same focus on the purpose of energy efficiency and the increased but modest

step regulations we propose under SB 450 that move us away from foreign oil dependence and prompts us all to conserve building energy usage.

Environmentalism might be seen as the main point or but a good side effect of clean energy and energy conservation; from either progressive or conservative viewpoints, central is the unavoidable demands before us of the impending need for economic energy security here in Wisconsin as we enter this post peak-oil economy.[5]

So, I am here today to encourage this committee to support a new direction in Wisconsin's energy policy under the SB 450 energy plan that takes the next modest step in energy conservation for our building industry sector that moves Wisconsin toward a future ideal of carbon-neutral or 'net-zero' buildings, buildings that both reduce fossil-fuel consumption and conserve energy more than we have done in the past.

We may now refer to energy conservation as the "fifth fuel," after coal, oil, natural gas, and uranium, and conservation is Wisconsin's most important resources, the "fifth fuel." Any businessperson knows that one of the best ways to improve profits is to reduce expenses-- Conservation is good news for Wisconsin and it's our best energy resource.

On specific provisions of SB 450--

I. Regarding that: ***"Commerce must consider incorporating into the energy conservation code the design standards from the most current national energy efficiency design standards, including the International Energy Conservation Code*** *(IECC)...."* **and** ***begin a review.... whenever.... a revision is published to promulgate the energy conservation code.... is published.... submit to the legislature proposed rules.... no later than 18 months after the date after the date on which a revision.... is published, (or)....because 3 years have passed....last submitted to the legislature....the department shall....submit to the legislature no later than 9 months after....the 3-year period."*** [Ref: page 5 & Section 54: p 68, lines 22-25, p 69, lines 1-9]

I. Comment-A **on wording of: "code" versus proposed change to "code and adopted standard(s)"**: Adoption of the current code does not necessarily mean that Commerce adopt the current standard under the code. (Note: for those that do not usually work with building codes, the distinction is important between a "code" and "adopted standard(s)" under the building code.)

Regarding energy conservation code, the adopted standard in the 2006 IECC is the ASHRAE 90.1-2004; not the 2007 version currently available; and not the 2010 version, which will be available later this year. Note: SB 450 refers to the Standard as the IECC code rather than the code and the adopted standards. It is important that the language in SB 450 includes more specifics for adopting the most recent IECC code, and, to also to include the adoption of the most recent energy code standard(s) as adopted under the code as they become available.

What is important, here, is that the "standard" is also recommended to be included so that wherever the word "code" occurs as proposed in SB 450, that the word would be recommended to be changed to *the "code and adapted standard(s)"* in order to be all inclusive of what the code constitutes; such that the standard adopted under the code is also included to with adoption of the current code.

I. Comment B, on time-lines for code adoption: "Automatic" is a dangerous word to casually use in reference to Wisconsin's the SB 450 proposed adoption process. We have a long history of established Code Advisory Councils, which advises Commerce on proposed modifications to code changes to the model code called *"Wisconsinisms."* The Code Advisory Councils serve to review proposed code changes, contribute professional expertise, and in many ways, serve as a "watch dogs" for various professional construction interest groups in a process under Commerce to consider proposed modifications to code. There is nothing "automatic" about the code adoption process here in Wisconsin.

I believe the proper position we want in Wisconsin is to be concurrent or in concert with national code and standards as they develop in a timely periodic manner; and seems properly proposed in SB 450 for a reasonable lag time for Commerce to act in a reasonably timely manner on the adoption process. Time frames proposed under SB 450 for adoption do not abrogate Wisconsin's right to modify a mandated code adoption of a model code or model code adopted standard in accordance with standing administrative rules. Wisconsin maintains the right under SB 450 to adopt modifications specified to Wisconsin for a mandatory time-schedule for adoption of a model code standard bu use of our *Wisconsinisms.*

Given the Recover Act of 2009 (ARRA) guidelines for code adoption, there is some lag already allowed with adoption of standards by U.S.-DOE that will provide compliance for the vast federal funding that is available to Wisconsin, on the other hand, we do not want to allow such a lag time for energy code adoption to jeopardize federal grants or stimulus funding streaming or eliminate opportunities because of lag in Wisconsin code adoption process.

Concluding therefore, it is important to have some "teeth" in a proposal to be on a concurrent 3-year code development cycle with 18 month lag with revisions and 9 month lag without revisions; and that the wording be changed to applying just to the *"code"* to be reworded" the *"code and adopted standard."*
II. Regarding that: ***"Commerce may deviate from the IECC...by setting less strict standards if specific conditions exist in this state that make application of the IECC or other generally accepted code unreasonably burdensome,"*** and the striking of: ***"taken into account the cost of the energy code requirement...."*** and striking of: ***"reasonably foreseeable economic and environmental benefits to the state from any reduction in the use of imported fossil fuel."*** under Section 46. [Ref p 24 & Section 45 & 46]

II. Comment: It is important not to allow short-sighted immediate cost factors to replace the need to develop long-term changes in small incremental steps in increasing conservation requirements or adaptation to alternative fuels, or, in other words, to allow for a longer term life-cycle cost or "paid-from-savings approach" that leverages the savings generated from building system upgrades that save energy over a payback term, not to be overruled by immediate gratification regarding any enhanced initial costs that simply use "cost" and "reasonably foreseeable economic benefit" to be used to justify a less stringent code standard. Increased conservation and changes to alternative non-fossil fuels often require more "up front cost". The use of the term "unreasonably burdensome" is an appropriate and reasonable term to counteract shortsighted economic vision to intercede in the implementation of advancing to a goal of net-zero buildings by 2030 by incorporating life cycle and "paid from savings" approaches to displace upfront first cost as reasonable and not "unreasonably burdensome."

III. Regarding the provision that requires **Commerce to promulgate rules establishing energy conservation standards for agricultural facilities. The bill also requires Commerce to consult with the Department of Agriculture, Trade and Consumer Protection (DATCP) before promulgating the rules.** [Ref: p. 24 & Section 50, p. 65, lines 8-13 & Section 9110, p. 168 lines 19-21]

III. Comment: Commerce has never regulated agricultural buildings. Agricultural buildings have always been outside of regulation by the former Dept of Industry, Labor & Human Relations and outside of Commerce more currently. Agricultural building is currently not regulated in building codes in Wisconsin and perhaps should remain so. Wisconsin Department of Agriculture should regulate energy conservation standards for agricultural buildings. Agricultural business is a particularly important industry in Wisconsin, which has established its own

internal infrastructure and relationship to U.S. Dept of Agriculture. Thus, it would be a recommendation for this portion of SB 450 is reviewed carefully for its implications of drastic change to agricultural business regulation. It would be proposed for advice that the word "Commerce" be replaced with "Agriculture" in all references to agricultural facilities.

IV. Regarding requirements for state buildings to conform to voluntary standards for advanced energy conservation and efficiency for state buildings and compliance with commercial green building code, *"that are designed to ensure that, by 2030, the overall energy use by all agencies is reduced to a level that is 30 percent lower than the overall energy use by all agencies in 2005."* [Ref p 26 & Section 3-4 pp 31-32, p 31; Section 49

IV. Comment: A 30% reduction in energy efficiency goals has been promoted in the *Governor's Task Force on Global Warming, Conservation and Energy Efficiency Workgroup and is has become a standard and goal for energy conservation nationwide.* [6]

The State government should lead by example with advanced energy efficiency goals at this proposed 30% improvement level over better-than-2005-code standards for state buildings with goals for renewable energy use in the range of 10-34% improvement over the current standard ASHRAE 90.1-2007 [7] in combined conservation and alternative energy use. This is directed to a long-term goal for Wisconsin's entire building infrastructure toward carbon-neutral achievements in concert with post-peak oil, gas and coal depletions into the future to maintain a survivable economy for Wisconsin by 2030. The Governor's 25x25 goals reflects a more modest version conservative to the 2030 Challenge Plan endorsed by the American Institute of Architects and supported by ASHRAE.[8]

The adoption of the ASHRAE 189.1 Standard into our energy code for State facilities compliance may be found to be a current Standard for adoption into the State Building Code for use specific to State Facilities compliance under enhanced energy conservation, but may need further study.

V. Comment: And finally, regarding building code task force efforts to address advanced building energy codes: There is a strong pressing need to study adoption of the advanced building code being developed by the International code council called the International Green Construction Code (IgCC)[9] further within Wisconsin to develop a consensus on a Wisconsin direction of code adoption for advanced building energy codes. Wisconsin's future rests

on this cutting-edge development of advanced energy conservation codes because such codes will be our future past Peak Oil.

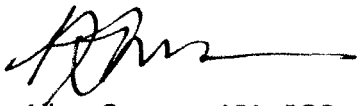
It would be my humble suggestion to create a furthering building code study work group under perhaps this committees direction for specific purpose to advance consensus within Wisconsin on green building codes, to further progress the work completed by the *Governor's Task Force on Global Warming, Conservation and Energy Efficiency Workgroup*. Such a work group possibly made up of memberships from the previous task force, S&B Code Council Advisory groups specific to energy conservation and HVAC, representatives from AIA, AGC and ASHRAE along with the State DOE and Commerce, S&B Code Development Manager, and State Facilities Code Development Manager.

I courage this committee's support for SB 450, to build greener through the incremental steps that this bill encourages. Buildings account for 40 percent of carbon emissions and 70 percent of electricity generated. By increasing incentives both through code compliance and funding for green building design and renovation, Wisconsin can stimulate economic activity while securing our energy independence.

Thought the energy code compliance sections proposed under SB 450 we can provide a measure of energy code compliance to match federal funding streams for green commercial buildings, green retrofits, and affordable green housing under The 2009 Recovery Act and the State Energy Program (SEP).[10]

Thank you for hearing me.

Respectfully submitted by,



Keith Allen Spruce, AIA, ICC

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[1] **Keith Allen Spruce is an independent Wisconsin Architect** & Wisconsin Commercial, Commercial HVAC, UDC, and UDC-HVAC Construction Inspector for the City of Milwaukee.

Member: Commerce Safety & Buildings HVAC Code Advisory Council; American Institute of Architects; Wisconsin AIA Committee on the Environment; International Code Council; and Wisconsin Building Inspector's Association.

I have 39 years of architectural experience and has operated my own sole proprietorship *Parnassus Architecture-Engineering-Interior Design* in Two Rivers since 1988; now employed by the City of Milwaukee as a commercial and residential building & HVAC inspector. Spruce remains dedicated to serve Wisconsin with specific interest and support for developing Wisconsin building codes to best serve our health, safety, and economic and ecological welfare.

[2] **On the reality of Peak Oil:** Wisconsin's energy plan, simply put, is in response to a known consequence of peak and permanent decline in oil production as we enter post peak-oil era where alternative technologies and conservation displace oil in sufficient quantities at comparable costs; given a known decline ever more each year following peak oil, the amount of alternative fuels and conservation would have to be replaced by alternatives year by year in a progressive step in concert with the decline.

Some 10 years ago I attended a photovoltaic conference in Madison (Effective Photovoltaic for Buildings 3/22/99-3/23/99) the small group was attended by top brass from the military and GSA. It was no surprise to them that the feds had mandated a substantial reduction in fossil fuel for federal operations and it was a bit of a revelation for me to understand peak oil issues specific to national security and the economy clearly known to the U.S. National Academy of Engineering, U.S. General Accountability Office, US. Congressional Budget Office, U.S. Army Corps of Engineers, National Petroleum Council and the major oil companies.

Peak oil does not mean 'running out of oil', it means running out of 'cheap oil.' U.S. continental oil production peaked in 1970 and globally between 2005-10. Although it passed by largely unnoticed by many, the U.S. oil peak was the most significant geopolitical event of the mid to late 20th Century, creating the conditions for the energy crises of the 1970s.

Global oil production is or has currently peaked. Because the global oil demand is rising rapidly, increasing oil prices, inflation, and economic recession will accompany declining production. Because the U.S. is highly dependent on oil and highly dependent on imported oil, the U.S. will experience severe problems regarding Peak Oil. As oil depletion progresses, more and more oil is used to produce oil. When the amount of oil used to produce a barrel of oil equals the amount of oil produced, it is pointless to continue oil production.

According to Peak Oil Associates, "*Alternatives cannot provide significant amounts of liquid fuels. Thus it is not feasible to ramp up alternatives to replace oil, even if there are decades to prepare for the occurrence of Peak Oil. There are no significant mitigation options on the supply side regarding the Peak Oil crisis. Because the global demand for oil is high, conservation in the U.S. alone will not slow global oil depletion. Any oil conserved in U.S. would be consumed by other nations. The rational policy for the nation to follow, therefore, is to shift away from consumerism and economic stimulus programs (which waste oil) and use the available oil to prepare for Peak Oil risk management planning.*" That's why net-zero or carbon neutral building are and will become the norm of the future, and gradual incremental steps to reach that goal such as those presented in SB 450, though minor, should be followed.

We have leveraged our economic growth on cheap oil. And the consequences of not having cheap oil in Wisconsin are dire when any economist does the math of adding peak oil plus increasing demand = 0. Although there is uncertainty about when Peak Oil production will occur, most independent studies conclude that oil production peaked in 2006, or that it will peak within a few years. Because the global demand for oil is increasing rapidly, a decline in oil production will generate sharp increases in the price of oil as buyers compete for decreasing oil supplies. Because oil under girds the economy, oil price increases will cause price inflation in most products and services. Due to higher prices, consumers will reduce their purchases of products and services. Unemployment and economic depression will follow. As oil production declines, the global economy will stagnate and collapse. Because the U.S. is highly dependent on imported oil, the U.S. faces severe Peak Oil impacts.

In an article published in The Nation, *Running on Empty,* Mark Hertsgaard, May 12, 2008 issue, the professional oil exploratory scientists were poignant to present the problem regarding peak oil-- was not the fact we have arrived at peak oil and declining supply for increased demand, but the that the biggest problem with Peak Oil was that people won't believe it. If we don't have a basis for understanding this, we will continue to argue any issues presented herewith at today's hearing until lack of basic education on the realities of Peak Oil is removed.

[3] For example, disruptions in oil supply associated with the Arab oil embargo of 1973-74 and the Iranian Revolution of 1978-79 caused unprecedented increases in oil prices and was associated with worldwide recessions.

[4] Forward by Robert F Kennedy Jr, Gaylord Nelson's *Beyond Earth Day, Fulfilling the Promise,* The University of Wisconsin Press, 2002.

> Pointing out the issues before us regarding building code regulations and a free market economy further, we are on a level playing field under our adoption of national code standards. Fifty states and the District of Columbia have adopted the I-Codes at the state or jurisdictional level. Federal agencies including the Architect of the Capitol, General Services Administration, National Park Service, Department of State, U.S. Forest Service and the Veterans Administration also enforce the I-Codes. The Department of Defense references the International Building Code for constructing military facilities, including those that house U.S. troops, domestically and abroad. Puerto Rico and the U.S. Virgin Islands enforce one or more of the I-Codes
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> The broad-based building code initiatives by The International Code Council (ICC) The American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) are central organizations to creating or codes and standards of energy conservation we adopt into our Wisconsin building codes. We have a broad-based national consortium of unified, open and transparent code development processes which comes to us under the ICC and ASHRAE that we have and will likely continue to adopt into Wisconsin under our Administrative Rules, including the IgCC International Green Building Code (IgCC) currently being developed under the auspices of the ICC.

[5] Buildings in the United States are responsible for 39% of CO2 emissions, 40% of energy consumption, 13% water consumption and 15% of GDP per year, making green building a source of significant economic and environmental opportunity. Greater building efficiency can meet 85% of future U.S. demand for energy, and a national commitment to green building has the potential to generate 2.5 million American jobs.

One of the most significant paths to financing energy conservation for both new and existing commercial buildings; and throughout the building lifecycle including alterations, additions, operations and maintenance, tenant build out, and significant retrofit; is a paid-from-savings approach that leverages the savings generated from building system upgrades that save energy, using energy performance contracting (EPC), an approach that pays for the building upgrades from energy cost savings generated down the line. Other standard approaches use conventional life cycle cost analysis used by Wisconsin Department of Facilities Management requirements for State building projects.

U.S. Green Building Council (USGBC) sponsored a McKinsey study that showed that investing in the energy efficiency of buildings represents a powerful and strategic energy and climate solution that, combined with other non-transportation initiatives, could:

Reduce U.S. energy consumption by 23 percent by 2020

Save the U.S. economy 1.2 trillion

Reduce greenhouse gas emissions by 1.1 gigatons annually

USGBC also contends that for the green building construction sector green building will support 7.9 million U.S. jobs and pump $554 billion into the American economy -- including $396 billion in wages -- over the next four years (2009-2013).

Green construction spending currently supports more than 2 million American jobs and generates more than $100 billion in gross domestic product and wages. The economic impact of the total green construction market from 2000 to 2008, the McKinsy study found, contributed $178 billion to U.S. gross domestic product; created or saved 2.4 million direct, indirect and induced jobs; and generated $123 billion in wages. In many cases these jobs are skilled and semi-skilled trades jobs that can begin to replace lost manufacturing jobs.

[6] Governor's Task Force on Global Warming, Conservation and Energy Efficiency Workgroup, Thursday, August 23, 2007-- (condensed notes)

New Construction

- Adopted LEED – NC– Sustainability Standard for major construction projects.
- Master Specifications updated to require new construction to be 30% more efficient than Commercial code.
- Building Commissioning Specifications developed with Fall 2007 implementation.
- 4 DSF project managers LEED accredited professionals

Comment by Spruce: Since the date of this Task Force's workgroup meeting, ANSI/ASHRAE/USGBC/IES ASHRAE Standard 189.1-2009 has been fully implemented for advanced energy conservation performance as of January 22, 2010. The ICC-IgCC Code, on the horizon for implementation of high performance buildings will also likely adopt the 189.1 standard into the IgCC code. Generally, the 189.1 Standard is up to 30% better-than-code energy conservation benchmark for advanced energy code compliance. The ASHRAE 189.1 Standard, along with the ASHRAE 90.1-2007 Standard, are both consistent with ARRA funding approvals under the U.S.-DOE. Wisconsin building energy code, the IECC, already adopts the ASHRAE 90.1-2004 standard under current code and 90.1-2007 scheduled for proposed adoption under the 2009 code cycle for all commercial building energy conservation requirements in Wisconsin.

Specific Description of Policy Proposal: This policy proposal consists of two distinct but complementary actions. The first would establish a policy of adopting the latest IECC code, without modification, as the state commercial energy code (chapter 63) within eighteen months of publication. Adoption of this policy would have prevented the IECC

2006 lighting control measures from being eliminated in the recently updated commercial energy code. Future versions of the IECC code will be based on the next ASHRAE 90.1 standard, which is expected to increase energy efficiency in commercial buildings by 30% (sic: future versions of the IECC code will be based on the ASHRAM 189.1 standard which is expected to increase energy efficiency in commercial buildings up to 30%). This policy is consistent with Act 141, which requires three-year review/updates and "consideration" of IECC, ASHRAE or other "generally accepted" energy efficiency codes. (sic: ASHRAE is an adopted standard, not a code.) The second policy recommendation would be to establish a voluntary high performance, green building code based on proposed standard BSR/ASHRAE/USGBC/IESNA 189P. (Note: current version is Standard 189.1, no longer in proposal form.) This draft standard, being drafted in code compliance language, includes a number of provisions and requirements to improve the energy and environmental performance of commercial buildings. The current draft standard would increase energy efficiency by 30% over ASHRAE 90.1-2007 and require 1% of electrical service load to be provided by renewable power generation. This provides a convenient mechanism to enforce Executive Order 145, which mandates that state buildings be designed to be 30% better than code in energy efficiency. ASHRAE has stated a long-term goal of net zero energy-use buildings and to have standards by 2015 for buildings that consume 70% less energy than buildings built in 2000. There are
Additional environmental benefits of green buildings including reduced water usage, improved indoor environmental quality and the use of recycled/recovered materials. Other green building standards (e.g., LEED, GBI) could be used as equivalent standards for compliance. The legislative options that should be considered to encourage compliance with the high performance, green building code include:

1) mandatory compliance for state-owned facilities,
2) a fast-track permitting process for green buildings,
3) a 0.5% of construction cost low interest loan for private sector new construction and major retrofit projects and 4) a 0.5% of construction cost low interest loan for primary, secondary and higher education new construction and major retrofit
projects.

Timetables, Duration and Stringency Option: This policy of adopting the latest IECC model code and Standard 189 within eighteen months of issuance would remain in effect until changed by law. Adoption of IECC 2006 would begin in 2008 while Standard 189 would be adopted one year after publication.

Explanation of Rough Estimate of GHG Reductions: For the enhanced commercial building code, the GHG reductions assume 12.5% average energy efficiency improvement (half of the 25% 2006 IECC improvement due to current over compliance), 90% participation, 31.6M ft2 new construction and major retrofit per year for commercial buildings greater than 20K ft2, 17.1 kWh/ft2 and 35.5 CF/ft2 energy use. For the high performance, green building code, the GHG reductions assume an additional 30% energy efficiency improvement (beyond 2006 IECC) with 25% participation.

Rough Estimate of Costs for Selected Years: The incremental cost of meeting IECC 2006 energy requirements can be considered very small due to the expected high current level of over-compliance to the current IECC 2000 based code. Recent studies (Langdon 2007) have shown that the average incremental cost of meeting a LEED-NC Silver rating is approximately one percent with a resulting annual energy operating cost reduction of 32%. The annual maximum cost of the high performance building revolving loan program is $4.5M for a total of $22.5M over five years. This is based on the conservative

estimate of 25% of the private sector (non-storage, non-factory) and educational projects taking advantage of the loan.

Barriers to Implementation: The primary barrier is the need for legislation to provide incentives to encourage widespread use of the high performance, green building code. There may also be opposition to the policy of automatically updating the state commercial building code to reflect the most recent IECC model energy code due to the uncertainty of future content and local impact. There is also concern about the ability to enforce the commercial building codes.

Other Factors: Some of the GHG reductions claimed by enhancement of state building codes could be duplicated in other policy proposals including appliance efficiency standards, public benefit funds, energy efficiency resource standards (EERS) and renewable portfolio standards (RPS). This policy would be implemented by the existing state organizations responsible for maintenance and enforcement of commercial building codes and administration of public benefit funds.

Review of Commercial Building Codes

Comments by Task Force Committee:

- Under item 7, we need to put something in about automatic controls, etc. We should say that we recommend adopting the latest IECC code including the lighting provisions.
- Page 3 – change ASHRAE has stated a long-term goal . . . . to something more specific about what we are trying to get to. Achieve zero-net energy buildings by 2030. We can say: our state can adopt a policy that is similar to ASHARE's etc. .
- If new code is adopted, would you continue to assume a 50% over compliance? --

No

- We'll need to have what the net savings are for modeling at each savings level for modeling.

Residential building code

Review of rental energy efficiency (existing) section:

- Data was added. Defined as one-unit, two-unit and multi-family.
- Implemented through POS. Point of lease or other major transactions may also be considered.

Review of rental single-family homes:

- Whenever single or multi-family homes are remodeled, etc – permits are necessary. That's another place where we could require energy efficiency upgrades.
- Specify what improvements we expect as much as possible. That will help us get at answering questions about cost.
- Discussion covers impacts of putting energy efficiency improvements on seller of home. Will this have unintended impacts on lower income home sellers (elderly,

etc)?

- Idea: put energy and/or CO2 information in a property disclosure statement at a point of sale?
- Personal accountability very important.
- Our key objective should be improving the rental market to have a minimum standard of energy efficiency to get this huge potential of carbon reduction.

• One suggestion is to have a Legislative Council Committee to create legislation to move this hard market forward. Largest barrier which we must continue to tackle is having clearly documented data / numbers that demonstrate the potential.
• For existing rental buildings and single family – get good policy recommendation and demonstrate significant need. List ways (mandate tied to POS or something else, some other disclosure form requirement, etc) to accomplish the goals in that market. ID group with a variety of stakeholders to move this forward.
• The policy section that addresses existing single-family homes is most in the need of additional data. If anyone can help, please contact Bruce.
• Can we break out owner-occupied properties with a different approach? Perhaps a whole new template for this one. By definition, an owner occupied residence has different issues/concerns.

Residential Building Code – New Construction

Discussion items include:

• Add the next code should be 15% (or 20% -- need to decide measure) more efficient, but leave in the lighting initiatives we've named. We should add similar language to both New Multi-Family Buildings and New 1-2 Family Buildings policies.
• It would be helpful to indicate that the 15% to 20% increase is connected to the portfolio.
• In all policies on this topic, we should have language that indicates we will adopt the next generation of building codes in every instance as soon as possible (at the latest, 18 months
after a revised code is released).
• Items in the 1-2 Family building policy: Clarification is needed to state new standards apply to all new additions.
• Do we need specifics on appliances & lighting? We can indicate that ENERGY STAR appliances be installed (at a minimum).
These code suggestions will be left as labeled "high" priority.

Residential Building Code – Existing

Discussion items include:

• Is it possible to set a goal for this policy in order to get it sharpened up appropriately?
• We could propose a code process with the concentration on how much emission savings will likely be gained by a change in policy on residential rental building issues.
• Language could state that all rental buildings should get brought up to code at point of sale or at modification, and you could project what or how the code will change in the future years.
• The group discusses the possibility of a recommendation that lobbies for a study group to examine existing multi-family rental building codes – highlighting the emissions reduction potential of revised codes if drafted the right way. The group concurs this is likely a high potential area, but it could not adequately discuss ***how*** to implement this policy in the time
we had together.
• Specifics to a study group recommendation should include a group study end date 6 or 9 months out. Specifying a group is likely specific enough, but identifying the group to take up this issue would be helpful (leg council, etc).

• A financial assistance element should be considered in a policy for this topic that ultimately gets drafted.

[7] **ASHRAE Standard 189.1** The U.S. Department of Energy (DOE), through the National Renewable Energy Laboratory, has made a preliminary estimate based on the second public review draft of ASHRAE Standard 189.1. Applying the minimum set of prescriptive recommendations in Standard 189.1 led to site energy savings ranging from 10 percent to 34 percent over Standard 90.1-2007, including plug and process loads and all other energy consumption for the building. The weighted average across all building types was 18 percent. (Note: the current ANSI/ASHRAE/USGBC/IES Standard 189.1-2009 was approved by ANSI on January 22, 2010.)

How is renewable energy covered within Standard 189.1?
Standard 189.1 requires that each building project be designed to be ready for renewable energy in the future. The prescriptive energy path also requires a certain amount of annual energy to be provided by on-site renewable energy systems. This requirement is a small increment but a necessary start toward the goal of net-zero-energy buildings that has been endorsed by ASHRAE and the co-sponsors.

How does the Standard 189.1 differ from building rating systems?
Standard 189.1 covers the key topic areas typically included in green building rating systems: site sustainability, water use efficiency, energy efficiency, indoor environmental quality and the building's impact on the atmosphere, materials and resources. However, the standard is written in mandatory language to allow for adoption within building codes. It is in a format consistent with other ASHRAE standards and uses the widely respected ANSI consensus procedures.
The standard is not a design guide or a rating system, though it is hoped that organizations responsible for the development of voluntary building rating systems will integrate this standard into their rating programs. Green building rating systems have been developed for implementation as a voluntary system and not to be implemented as mandatory requirements within a jurisdiction. They often provide a limited number of prerequisites with many optional credits to allow focus on the green building aspects most important to the user of the system. Standard 189.1 is primarily based on mandatory requirements (with some elements allowing a choice between a prescriptive or performance options for compliance) that establish baseline criteria for a high-performance green building. Also, because Standard 189.1 is a code-intended standard, it references documents that are in normative language, meaning those documents are not just for informative purposes but are required for compliance with the standard.

How will Standard 189.1 be used and by whom?
Standard 189.1 could be implemented by a variety of users for a range of reasons, including:
• States/Municipalities
-their own buildings
-reach code or basis for incentives
-private and public construction within a jurisdiction
• Organizations with green building rating systems (such as the U.S. Green Building Council and the Green Building Initiative): incorporated as the baseline (prerequisite) in a green building rating system
• Developers: individual projects
• Corporations: corporate buildings
• Universities: campus buildings

Does Standard 189.1 apply to all buildings?

Standard 189.1 covers the same group of building spaces as ANSI/ASHRAE/IES Standard 90.1, Energy Standard for Buildings except Low-Rise Residential Buildings:

- All nonresidential spaces
- All residential spaces in buildings more than three stories Within these buildings, Standard 189.1 applies to the following elements of building projects:
- New buildings and their systems
- New portions of buildings and their systems
- New systems in existing buildings

Local jurisdictions can adopt Standard 189.1 to apply to the above buildings. In lieu of adoption as the mandatory code minimum, Standard 189.1 also can be used by local jurisdictions as a tool for starting a local green building program.

What is the relationship between Standard 189.1, the Advanced Energy Design Guide (AEDG) series and Standard 90.1?

While each of these publications is related to reducing energy use of buildings, each has a different stated purpose and objective.

Standard 90.1 is published as a consensus standard to provide minimum requirements for the energy-efficient design of new and renovated buildings. The U.S. Congress and the Department of Energy require states to adopt a commercial building energy code that meets or exceeds Standard 90.1. It is written in a code intended language as minimum requirements so it does not necessarily provide exemplary or state-of-the-art design guidance. ASHRAE Standard 90.1 is on continuous maintenance and is revised on a three year cycle. The current version is 90.1-2007. As a condition of receiving money under the American Recovery and Reinvestment Act, all 50 states have certified their intent to adopt a building energy code that meets or exceeds the requirements of Standard 90.1-2007.

In contrast, the Advanced Energy Design Guide (AEDG) publications are designed to provide prescriptive recommendations for achieving at least 30 percent energy savings over the minimum requirements in Standard 90.1-1999 in eight U.S. climate zones. They show a way, but not the only way, to achieve 30 percent savings. The 1999 version of 90.1 provides the reference point to maintain a consistent baseline and scale for the AEDG 30 percent series. However, many of the energy simulation results for the AEDGs showed greater than 30 percent savings. In some climates the recommendations also exceed 90.1-2004 by 30 percent. These guides also provide a prescriptive path to achieving LEED® v2.2 and v3.0 Energy & Atmosphere credits for New Construction and Major Renovation projects. Standard 189.1 requires that each building project be designed to be ready for renewable energy in the future. The prescriptive energy path also requires a certain amount of annual energy to be provided by on-site renewable energy systems. This requirement is a small increment but a necessary start toward the goal of net-zero-energy buildings that has been endorsed by ASHRAE and the co-sponsors.

[8] The 2030 Challenge: Credible scientists give us 10 years to be well on our way toward global greenhouse gas (GHG) emissions reductions in order to avoid catastrophic climate change. Yet there are hundreds of coal-fired power plants currently on the drawing boards in the US. Seventy-six percent (76%) of the energy produced by these plants will go to operate buildings.

Buildings are the major source of demand for energy and materials that produce by-product greenhouse gases (GHG). Slowing the growth rate of GHG emissions and then reversing it over the next ten years is the key to keeping global warming under one degree centigrade (°C) above today's level. It will require immediate action and a concerted global effort.

To accomplish this, Architecture 2030 has issued **The 2030 Challenge** asking the global architecture and building community to adopt the following targets:

- All new buildings, developments and major renovations shall be designed to meet a fossil fuel, GHG-emitting, energy consumption performance standard of 50% of the regional (or country) average for that building type.

- At a minimum, an equal amount of existing building area shall be renovated annually to meet a fossil fuel, GHG-emitting, energy consumption performance standard of 50% of the regional (or country) average for that building type.

- The fossil fuel reduction standard for all new buildings and major renovations shall be increased to:

  60% in 2010
  70% in 2015
  80% in 2020
  90% in 2025
  Carbon-neutral in 2030 (using no fossil fuel GHG emitting energy to operate).

These targets may be accomplished by implementing innovative sustainable design strategies, generating on-site renewable power and/or purchasing (20% maximum) renewable energy and/or certified renewable energy credits.

[9] The International Code Council (ICC), a membership association dedicated to building safety and fire prevention, develops the codes we have adopted here in Wisconsin used to construct commercial buildings. Most U.S. cities, counties and states choose the International Codes, building safety codes developed by the ICC. ICC is the model code agency that Wisconsin has elected to provide our commercial building code under adoption following Administrative Rules.

The IgCC is designed specifically to integrate and coordinate with the other International Codes already being enforced by governmental code officials at all levels. All 50 states and more than 20,000 U.S. jurisdictions use the International Codes developed by the Code Council for safety and sustainability. The International Codes also serve as the basis for construction of federal properties around the world, and as a reference for many nations outside the United States. The International Code Council is a non-profit membership association dedicated to building safety, fire prevention, energy efficiency, and sustainable building construction and performance.

ICC is developing a commercial green building code for traditional and high-performance buildings that is consistent and coordinated with the ICC family of Codes and Standards, which we currently adopt in Wisconsin. The IgCC is an important benchmark code development project in that when completed with be fully integrated with our current Wisconsin commercial building code suite of ICC codes: International Building Code (IBC), International Mechanical Code (IMC), International Energy Conservation Code (IECC) and International Fuel Gas Code (IGC).

The IgCC is designed specifically to integrate and coordinate with the other International Codes already being enforced by governmental code officials at all levels. All 50 states and more than 20,000 U.S. jurisdictions use the International Codes developed by the Code Council for safety and sustainability. The International Codes also serve as the basis for construction of federal

properties around the world, and as a reference for many nations outside the United States. The International Code Council is a non-profit membership association dedicated to building safety, fire prevention, energy efficiency, and sustainable building construction and performance.

Note: The IgCC First Draft Version 4 Jan, 2010 found for review at:
http://www.iccsafe.org/cs/sbtc/pages/firstdraftdevelopment.aspx

Wisconsin citizens voted to change from Wisconsin's custom state code to an international model suite on July 1, 2002. The ICC codes currently consist of: International Building Code (IBC), International Mechanical Code (IMC), International Energy Conservation Code (IECC), and the International Fuel Gas Code (IGC).

The IgCC code will provide a new regulatory framework built with leading recognized rating systems. The Code will provide criteria to drive green building into everyday practice. This decision builds on a series of actions that began in the 1970s with the creation of the *International Energy Conservation Code*. The IgCC's development is managed through the ICC's Sustainable Building Technology Committee. Standards are being developed in concert the ASHRAE and a Memorandum of Understanding with the U.S. Green Building Council (USGBC). The USGBC manages the LEED score ratings and standards currently in use as a voluntary standard.

According to Code Council CEO Richard P. Weiland, *"It has become clear to us that to advance the goal of achieving more sustainable building performance, some regulatory framework is needed for areas where market forces are not enough. We face challenges not only with new construction, but with existing buildings and how we can increase their levels of safety and sustainability over time."*

"We have arrived at an opportune time to build on the information and resources available to us to design a useable code as a model for green building programs," said Code Council Board President Adolf Zubia. *"We plan to use the same principles that have made the Code Council family of codes so successful, which is the development of model regulatory material that is consistent, coordinated and developed in a consensus process."*

Drafters of the International Code Council's *International Green Construction Code* (IGCC) are nearing completion of the first-ever integrated green code for traditional and high performance commercial buildings, set for a public release in March 2010. *"This will be the first time code officials, owners and designers will have an integrated regulatory framework to put into practice that meets the goal of greening the construction and design of new and existing buildings,"* according to Code Council CEO Richard P. Weiland. *"Only a code that is useable, enforceable and adoptable will have the capability of impacting our built environment in dramatic ways."*

The IGCC's unique drafting approach links the International Codes to a public process bringing together diverse areas of expertise to create the first integrated, regulatory framework for green commercial buildings. The American Institute of Architects (AIA) and ASTM International are Cooperating Sponsors. Other organizations with representation on the IGCC drafting committee, known as the Sustainable Building Technology Committee (SBTC), include the U.S. Green Building Council Green Globes Initiative along with over a dozen others.
International Code Council
The Code Council's unique consensus process invites continual public input from all perspectives, culminating in a final approval from code officials to ensure the best possible rate of compliance. A critical element of the IGCC is that it is consistent and coordinated with existing International Codes that span the spectrum of the industry from building, to energy conservation, fire safety,

plumbing, mechanical fuel gas and existing buildings among others. *"Voluntary systems have led market transformation and paved the way for a regulatory framework that includes specialized standards addressing highly technical areas around installation and equipment performance,"* Weiland said. *"And with our Cooperating Sponsors at the AIA and ASTM International providing the essential perspective of the design and standards communities, there is finally an option on the table that a local, state or federal code official can actually use, enforce and adopt to impact the built environment."*

The last drafting meeting of the SBTC will be in January 2010 in Austin, Texas. The first public version of the IGCC will be published in March, which is expected to inform many policy discussions currently underway. At the same time the IGCC will undergo continual maintenance with the solicitation of additional public comments thru hearings being conducted in August, 2010t. The IGCC will then go through another round of review, comments and public hearings in 2011 for the publication for the 2012 ICC Family of Codes.

The code will address energy efficiency (including solar and other advanced technologies), water use efficiency, materials and resource use conservation, indoor environmental quality and overall building impact on the environment. It will be developed under the Council's governmental consensus process. The Code Council will seek the collaboration of key partners along with input from its members and stakeholders. This coordinated approach will ensure that code officials, design professionals and other industry experts will have a prominent and appropriate role in the development process.

IgCC will be developed to apply to traditional and high performance buildings that are consistent and coordinated with the ICC family of Codes & Standards. The IgCC shall be applicable to the construction of buildings, structures, and systems, including existing buildings subject to alterations and additions. Residential portions of buildings shall be covered by the ICC 700 National Green Building Standard (NGBS). The code will provide a new regulatory framework built with leading recognized rating systems. The Code will provide criteria to drive green building into everyday practice.

[10] **State Energy Program** 3.1 billion in grants and funding provided to states for energy efficiency and renewable energy projects. States may use the funding for the creation and adoption of advanced building codes. This works in concert with DOE energy Efficiency & Renewable Energy program grants and revolving-loan programs for Wisconsin. SEP will distribute $3.1 billion of funding to the states and U.S. territories under the 2009 Recovery Act.

> **Wisconsin**-- $159,603,097.00 total, $71,662,211.00 expended and $87,940,886.00 balance including about 13% available for other various government operations and local aid programs of which building and transportation modernization and repair includes, of which only a smaller % is allocated to building.
>
> **National Association of State Energy Officials** (NASEO) is the only national non-profit organization whose membership includes the governor-designated energy officials from each state and territory. NASEO was formed by the states and through an agreement with the National Governors Association in 1986. The organization was created to improve the effectiveness and quality of state energy programs and policies, provide policy input and analysis, share successes among the states, and to be a repository of information on issues of particular concern to the states and their citizens. NASEO is an instrumentality of the states and derives basic funding from the states and the federal government. Members are senior officials from the State and Territory Energy

Offices, as well as affiliates from the private and public sectors. Member state agencies work on an extremely wide range of energy programs and policies, including: Energy efficiency in homes, commercial/public buildings, industry and agriculture; Renewable energy, such as solar, wind, geothermal and biomass; Residential, commercial and institutional energy building codes;
Transportation and heating fuel supplies, pricing and distribution; Oil, natural gas, electricity and other forms of energy production and distribution; Energy-environment integration (such as using conservation to reduce air emissions).

The Council of State Governments (CSG) designed to help states: 1) rapidly decipher potential funding opportunities; and 2) share best practices by tracking how the executive, legislative, and judicial branches of state government are responding to and impacted by this historic legislation.

The Clean Energy Finance Authority (CEFA) is designed to coordinate, amplify and elevate our nation's investment in a clean energy future. Renewable power has grown dramatically over the past several years. The CEFA programs included in the Recovery Plan will revive the renewable industry and double the amount of renewable energy produced over the next three years. Collectively, the funding is expected to leverage nearly $100 billion in clean energy projects.


FORWARD
E PLURIBUS UNUM

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5
77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590

FEB 1 1 2010

SB450?

REPLY TO THE ATTENTION OF:
R-19J

The Honorable Mark Miller
Wisconsin Senate
Room 317 East
State Capital
P.O. Box 7882
Madison, Wisconsin 53707-7882

The Honorable Jeffrey Plale
Wisconsin Senate
Room 313 South
State Capital
P.O. Box 7882
Madison, Wisconsin 53707-7882

Dear Mr. Miller and Mr. Plale:

As a member of the Wisconsin Clean Diesel Coalition (Coalition), the U.S. Environmental Protection Agency, Region 5 works with other governmental agencies, environmental organizations, and private companies which are in a position to develop and implement programs and projects that are effective in reducing diesel emissions. The Coalition has been successful in reducing idling and promoting cleaner vehicles, engines, and fuels in all types of diesel fleets across the state.

As you continue your work on the Clean Energy Jobs Act, EPA is writing to express its support for a statewide approach to reducing unnecessary idling which creates air pollution, wastes fuel, and increases our reliance on foreign oil. The idling of diesel vehicles, especially, is a source of particulate matter pollution, and contributes to portions of the State not meeting the National Ambient Air Quality Standards. Reduction of avoidable idling is an attainable goal and has an immediate, positive impact on air quality and fuel consumption. It is important that any idle reduction strategy:

- Provide a statewide approach that levels the playing field for businesses associated with the transportation and construction industry, while providing the benefits of decreased pollution throughout the State. A statewide regulatory framework will prevent the creation of islands of idling regulations across the State that could cause confusion.

- Affect a large number of engines and diverse sectors to provide for maximum impact on fuel savings and public health. This would include commercial gasoline and diesel engines across non-road and on-road sectors.
- Contain fair exemptions to protect the health and safety of drivers and operators.

For all these reasons, we urge you to move forward on a comprehensive, statewide approach to reduce unnecessary idling. We appreciate your interest in these issues. If you have questions, please contact me or your staff may contact Steve Marquardt, Midwest Clean Diesel Coordinator, at (312) 353-3214.

Sincerely,

Bharat Mathur
Acting Regional Administrator


FORWARD
E PLURIBUS UNUM

CORPORATE OFFICE
129 MARTEN STREET
MONDOVI, WISCONSIN 54755
Telephone (715) 926-4216
(800) 395-2031
Fax (800) 461-0377

February 15, 2010

Senator Miller,

On behalf of Marten Transport, I would like to bring to your attention the current Global Warming bills currently in the Senate and Assembly Clean Energy Committees.

The Global Warming Task Force released its final recommendations and introduced SB 450 and AB 649 that contains some of the most comprehensive environmental regulations ever to hit the capitol. Among the proposals are Low Carbon Fuel Standard, mandating California emission standards on cars, mandating a 25% renewable energy standard, new surcharges on utility bills, and other measures that include statewide truck idling rules.

The Wisconsin Policy Research Institute and the Beacon Hill Institute reports that if enacted:

- Wisconsin will lose 43,000 private sector jobs over 11 years.
- Wisconsin will add 12,000 government jobs
- Motor fuel costs will increase $3.2 billion over 11 years.
- Electricity bills increase $16.2 billion by 2025.
- Every state resident will lose $1,012 a year in personal income by 2020.

In addition to the high cost to Wisconsin's economy by implementing this legislation, for Marten Transport, adopting a Low Carbon Fuel Standard will pose severe costs on our operations. If enacted, the LCFS will drive up the cost of Canadian oil and punish Wisconsin consumers by hitting families, farmers, truckers and businesses with higher process at the pump. A study published by the Marshall Institute found that a LCFS would increase the price of gas by 61-cents per gallon. That is simply unacceptable as we struggle to emerge from a deep economic recession.

Highway user fees paid by the trucking industry in Wisconsin are very high. With the 30% increase in truck registration fees in 2007, Wisconsin now ranks in the top ten in the country for both fuel tax and registration fees paid by truckers. A typical tractor semi-trailer combination in Wisconsin now pays more than $1,600 more in state highway user fees, compared with the national average.

In conclusion, Wisconsin cannot go at it alone when it comes to global warming legislation. Higher energy and fuel costs will deepen the recession in our economy. This legislation will put our state at a competitive disadvantage and it will cost jobs. Wisconsin is in the midst of one of the worst recessions in our history and a new costly, state-only regulation simply defies logic.

Sincerely

Robert Smith

Robert G. Smith
Chief Operating Officer


FORWARD

LADISH CO., INC.

Post Office Box 8902
Cudahy, Wisconsin 53110-8902

Gary J. Vroman
President and
Chief Executive Officer

TEL 414-747-2613
FAX 414-747-2602

February 16, 2010

State Senator Jeffrey Plale
Room 313 South
State Capitol
P.O. Box 7882
Madison, WI 53707-7882

Dear Senator Plale:

I am writing to explain why Senate Bill 450 and Assembly Bill 649 would have a major detrimental impact on our company, Ladish Co., Inc., in Cudahy, and to urge your opposition to the bill. While this bill may be driven by good intentions, there are real consequences to remaining Wisconsin manufacturers such as Ladish who are heavily energy-dependent, and ultimately on the employees, families and communities that depend on the success of our business. Even supporters of the bill agree that this legislation would increase energy costs here in Wisconsin.

Ladish is in an extremely competitive business – forgings for jet engine, aerospace and other applications – and we can ill-afford taking on an energy cost burden that our competitors, both domestic and foreign, will not have to bear.

Our energy costs in a typical year approach $20 million. Our facility in Cudahy covers about 1.6 million square feet, and our forging processes – featuring some of the largest presses and hammers in the world – require large energy usage. Ladish is a producer of parts used by the Federal government in aircraft, helicopters and space launch vehicles.

We are currently engaged in negotiations for long-term agreements with our major customers, including Rolls-Royce and General Electric (jet engine parts) and Caterpillar (axles and other large general industrial forgings). These negotiations, driven by price, will dictate Ladish's success in the years ahead. All are demanding cost concessions if we are to attempt to sustain a level of orders needed to support a profitable business. Our business was down about 25% in 2009. Our employment costs are among the highest in our industry (we have seven unions here in Cudahy). While this can be problematical from a competitive standpoint, these are very good-paying jobs for Wisconsin that will be in jeopardy if we are at a competitive disadvantage on energy.

Imposing large additional energy costs on Ladish will unquestionably have a major, harmful impact on our company. Our rates already exceed the midwest average. We have been very aggressive in our efforts to improve our energy efficiency and have achieved significant cost reductions. We have continued to invest heavily in our facilities here in Wisconsin. Hopefully that investment will prove to be wise.

Please help our company by opposing this bill. There is a very direct connection between demand for our products and our employment levels. We ask that you consider our situation and oppose legislation that singles out Wisconsin companies for higher energy costs.

Sincerely,

Gary J. Vroman
blh


FORWARD

CREWE

Clean, Responsible Energy for Wisconsin's Economy

Feb. 17, 2010

Dear Legislator,

Monday's announcement of Spain-based energy firm Ingeteam choosing Milwaukee for its wind turbine generators and power converter plant that will create 270 manufacturing jobs is a prime example of what the state can expect to see with the passing of the Clean Energy Jobs Act.

Not only is this a coup for Wisconsin, but it also shows the state is moving in the right direction in being a leader in green energy. We're confident other companies will choose to have operations in Wisconsin because of the positive moves state leaders like yourself are making.

Please remember that AB 659 will not only fight global warming, but it also will strengthen our manufacturing industry, create thousands of jobs and boost our economy.

companion to SB 450

Sincerely,

Thad Nation
Executive Director
Clean, Responsible Energy for Wisconsin's Economy (CREWE)

16 N. Carroll St. Suite 900
Madison, WI 53703
(608) 256-7701

MILWAUKEE
JOURNAL SENTINEL

ENERGY FIRM PICKS MILWAUKEE FOR PLANT

Officials line up to applaud Spanish company's decision

Tuesday, Feb. 16, 2010
Larry Sandler

Politicians and business leaders were quick to celebrate - and claim credit for - Monday's announcement that a Spanish company will bring hundreds of new jobs to Milwaukee.

Wisconsin's current governor, two candidates to succeed him, and not one but two regional economic development alliances all lined up to score points from a new Menomonee Valley plant for Ingeteam, a Spanish manufacturer of wind-turbine generators.

About 270 manufacturing jobs will be created by the plant, said Greater Milwaukee Committee President Julia Taylor. Building the plant will bring construction jobs as well, said Patrick Curley, chief of staff to Milwaukee Mayor Tom Barrett.

It will be Ingeteam's first North American factory, said Gale Klappa, co-chairman of the Milwaukee 7 economic development coalition.

Ingeteam chose the valley because of its proximity to workers, I-94 and Spanish-speaking neighborhoods, as well as Milwaukee's "great reputation for manufacturing," said Barrett, also a Milwaukee 7 co-chairman.

The plant will be built near the western end of the valley, Barrett said. The exact site will be announced Tuesday, Curley said.

Barrett called on Klappa, the chief executive officer of We Energies, to make the announcement during the mayor's "state of the city" address at the downtown headquarters of Manpower. He also introduced five Ingeteam executives, who he said had just flown in from Spain for the announcement.

In January, President Barack Obama's administration announced that Ingeteam had been awarded $1.66 million in clean-tech manufacturing tax credits to make wind turbine generators as well as power converter and control systems in Milwaukee. Further indications surfaced last week that the company had picked Milwaukee.

Ingeteam is a privately held, diversified manufacturer based in Zamudio, Spain, a suburb of Bilbao, the city visited last fall by state Commerce Secretary Richard Leinenkugel, City Development Commissioner Rocky Marcoux and Milwaukee 7 representatives. Outside Spain, the company has operations in seven countries, including an office in Mequon.

No one in the Mequon office returned a call seeking comment Monday.

While Monday's announcement drew praise from all sides, it also offered an occasion for a bit of political spin on who deserved the credit for landing the plant.

Barrett worked the announcement into his speech's theme of job creation, which has been a continuing focus of his mayoral campaigns and his current campaign as a Democratic candidate for governor. He typically delivers the annual address at a site that illustrates city economic development efforts - including Manpower, which relocated its international headquarters from Glendale to a new $78 million building just north of downtown Milwaukee in 2007, with the aid of a city tax incremental financing district.

Uncharacteristically, Barrett upstaged a planned Tuesday news conference with the incumbent governor, fellow Democrat Jim Doyle. Barrett, Doyle and Klappa will join Aitor Sotes, chief executive officer of Ingeteam's U.S. operations, and Ambassador Javier Ruperez, Spain's consul general in Chicago, for that news conference.

But Barrett said Monday's announcement was timed to welcome the Ingeteam executives, not to boost his gubernatorial campaign.

"I would be doing this in any year as mayor," Barrett said. "Any mayor in America would be proud to announce several hundred new jobs in this economy."

Doyle spokesman Adam Collins called the announcement "another success story of Gov. Doyle's efforts to create good jobs in Wisconsin."

Milwaukee County Executive Scott Walker, a Republican gubernatorial candidate, called the announcement "obviously good news on the job front" and said he didn't see the timing as political.

But Walker also said state tax credits played a major role in bringing Ingeteam to Milwaukee, which he said reinforced his position against tax increases and for expanding tax breaks for businesses and homeowners.

"If you lower the overall tax burden, it makes it easier for employers to come here," Walker said.

Barrett acknowledged the role of tax credits, but said that bolstered his own stand that tax incentives should be tied directly to job creation.

Collins declined to comment on the size of the state tax credits for Ingeteam.

Meanwhile, Klappa said, "Without a doubt, this is a victory for the M-7," as well as a great accomplishment for Barrett.

The seven-county economic development organization was short on high-profile announcements until recently, leading to questions about its effectiveness. But in the past few months, the M-7 scored with the November announcement that Republic Airways would double its Milwaukee-area workforce, adding 800 maintenance and call center jobs, after its purchase of Midwest Airlines, and the January announcement that C&D Technologies Inc. would add 150 Milwaukee jobs after landing a $19 million U.S. Army contract.

In his speech, Barrett pointed to the Republic and C&D expansions and played up the role of the M-7, saying the group's founders had to overcome "parochial distrust and a bit of partisan angst" to establish "a new model for job creation in the region."

Taylor called the Ingeteam announcement "a pretty big home run for Milwaukee," and added, "It shows what we can do when we put on the regional muscle."

Tim Sheehy, president of the Metropolitan Milwaukee Association of Commerce, said the M-7 coordinates city, state and private-sector development efforts, adding, "Five years ago, there was no entity called M-7, and my experience was that we wouldn't have likely won a deal like this without that collaboration."

Even N.E.W. North got into the act. The economic development consortium for northeastern Wisconsin has been marketing that region as a center for the wind power industry, and state and M-7 representatives used the N.E.W. North directory of Wisconsin wind power component suppliers to help convince Ingeteam that Milwaukee would be a viable location for the company's plant, N.E.W. North spokesman Josh Morby said.

WHAT IS INGETEAM?

This privately held, diversified manufacturer is based in Zamudio, Spain, a suburb of Bilbao, the city visited last fall by state Commerce Secretary Richard Leinenkugel, City Development Commissioner Rocky Marcoux and Milwaukee 7 representatives. Outside Spain, the company has operations in seven countries, including an office in Mequon.

Don Walker of the Journal Sentinel staff contributed to this report.


FORWARD

Orion Energy Systems
866.526.4920
www.oesx.com
NASDAQ: OESX

February 17, 2010

Dear Select Committee Co-Chair Senator Plale:

Orion is proud to have a technology included in the Green Energy Jobs Act as a qualifying renewable that can be counted toward achieving our State's Renewable Portfolio Standard.

The Apollo® Solar Light Pipe harvests the direct energy of the sun to illuminate a building's interior cavity, oftentimes taking a facility's lighting load completely off the grid. This technology is already employed in facilities in the control of such notables as Coca Cola, Miller-Coors, Polo Lauren, Apple (computer), Sysco and US Foods.

In order to create additional jobs and put Wisconsin's unemployed back to work, Orion respectfully requests the following changes be made to SB450 and AB649.

First, replace the term "non-electric energy" currently used throughout the bill to describe "direct-use renewables" with the term "renewable non-electric resources". The latter term is more consistent with other "renewable" terms in the bill and will help define appropriate rule promulgation by the Public Service Commission.

Second, replace the bill's existing language regarding "renewable non-electric resources" (non-electric energy) with the language from 2009 SB 273 | AB 401.

SB 450 and AB 649 as drafted create one year Renewable Certificates for the megawatt hours displaced by "direct-use renewables". These certificates are unlike Renewable Energy Credits generated currently under state law, making it impossible to trade them regionally, thus dramatically reducing their value.

2210 Woodland Drive, Manitowoc, WI 54220
kmc@oesx.com | 920-917-9119

Light pipe technology, a solar renewable non-electric resource, should generate Renewable Energy Credits in exactly the same way as those credits generated by photovoltaic technologies. The substitution of the language from 2009 SB 273 | AB 401 will make this happen.

Orion metrics indicate that if these changes are made to the legislation, more than 1.4 million hours of work will be generated in Wisconsin's construction industry alone for the purpose of the installation of the technology. New jobs would also be developed in the areas of sales, distribution and manufacturing.

Thank you for your consideration of this issue of importance to Orion Energy Systems and the workforce of Wisconsin.

Sincerely,

Kevin Crawford | Senior Vice President
Governmental Affairs & Corporate Communications

Attachments

Companion Bills SB 273 | AB 401
SB 273 | AB 401 Authors, Co-Sponsors and Supporting Organizations
Light Pipe Metrics

cc: Authors & Co-Sponsors of SB 273 | AB 401 and Supporting Organizations

2210 Woodland Drive, Manitowoc, WI 54220
kmc@oesx.com | 920-917-9119

TechAmerica
WHERE THE FUTURE BEGINS

February 23, 2010

Senator Mark Miller
Room 317 East
State Capitol
P.O. Box 7882
Madison, WI 53707-7882

Representative James Soletski
Room 307 West
State Capitol
P.O. Box 8953
Madison, WI 53708

Re: TechAmerica Opposition to SB 450 and AB 646 – Consumer Electronics Energy Efficiency Requirements

Dear Senator Miller and Representative Soletski:

I am writing to you on behalf of TechAmerica and our member companies in opposition to SB 450 and AB 646 as currently drafted. TechAmerica is the largest technology trade and advocacy association in the country. Our 1,600 member companies employ more than three million workers in the United States and span the spectrum of our industry. We hope to work with you to address our very legitimate concerns.

TechAmerica appreciates Wisconsin's desire to increase its energy efficiency efforts and promote the use of renewable resources to produce clean energy; however, TechAmerica opposes any state efforts to impose arbitrary energy efficiency mandates on consumer electronics. SB 450 and AB 646 would establish energy efficiency mandates for three categories of electronics products: (1) compact audio products; (2) DVD players and recorders, and (3) televisions. These mandates are unnecessary and should be removed from SB 450 and AB 649.

Consumer electronics are unique products. The consumer electronic market is characterized by rapid innovation, intense competitive pressures, short time-to-market demands, and the introduction of products that become smaller, more functional and more energy efficient every life cycle. The energy consumption demands of electronic products are often tied to their functionality and product designers strive to make them as energy efficient as possible in order to lengthen battery life, reduce product weight, or to dissipate waste heat, which can damage sensitive electronic components. Mandatory state energy efficiency standards for consumer electronics are unnecessary because there are already existing voluntary and mandatory energy efficiency requirements that govern these products.

TechAmerica and its member companies are active partners in the U.S. Environmental Protection Agency's Energy Star program. The Energy Star program is a public-private partnership that works with industry members to set voluntary energy efficiency specifications for consumer electronics, including compact audio devices, DVD players and recorders, and televisions. These specifications are set at high energy efficiency levels that demonstrate environmental leadership and high performance. Energy Star specifications, therefore, are "leadership" specifications – typically set at the top 25% of all units on the market. Once the Energy Star limits are met by a majority of market participants, the specifications are revised to continue to reward top performers and environmental leadership.

TechAmerica Midwest
1100 E. Warrenville Rd., Suite 150 Naperville, IL 60563
P: 630-282-4262 F: 877-726-8459

EPA's Energy Star program is very successful at motivating producers to design their products to meet Energy Star specifications in order to receive recognition in the marketplace. Imposing mandatory efficiency limits on consumer electronics producers will remove producer's motivation for achieving Energy Star specifications because producers will be less motivated to perform beyond compliance. Instead, they will focus their limited resources simply on achieving compliance.

Furthermore, there are already state energy efficiency mandates in place that already establish energy efficiency standards for these products. The proposed Wisconsin requirements will conflict with those existing requirements. For example, the State of California established mandatory energy efficiency requirements for compact audio, DVD players and recorders and televisions in 2007. Because of the size of the California market, product designers already design products to meet those requirements for the entire US market. As a result, compact audio devices, DVD player and recorders and televisions that meet the California limits are already being sold in Wisconsin.

For this reason, recent state proposals to establish mandatory energy efficiency requirements for consumer electronics have not succeeded. Legislatures in the states of Arizona, Connecticut, Hawaii, Maryland, Missouri. Minnesota, New Jersey, Nevada, Rhode Island, Tennessee, Texas, Vermont and Washington have all considered similar proposals to establish mandatory energy efficiency requirements for consumer electronics, but have chosen not to establish such standards.

TechAmerica is a strong supporter of Energy Star, which provides the consumer electronic industry with a market incentive to develop the most energy efficient products that are possible given performance, safety, cost, time-to-market and other considerations that govern the consumer electronics industry. This successful public-private partnership should remain the primary driver of energy efficiency in the consumer electronics marketplace.

Furthermore, the California appliance regulations already establish state energy efficiency standards for compact audio, DVD players and recorders and televisions. Due to the size of the California market, these requirements operate as de facto national requirements and, therefore, no additional state regulations are necessary.

For these reasons, TechAmerica respectfully requests that Section 41 be removed from SB 450 and AB 649. If you have any questions, please do not hesitate to contact me directly. Thank you.

Sincerely,

Edwin Longanecker

Edwin S. Longanecker
Executive Director, Regional Policy Director
TechAmerica Midwest
630-282-4332 / ed.longanecker@techamerica.org

Office of Governor Jim Doyle
Select Committee on Clean Energy


FORWARD

McKinstry
For The Life Of Your Building

February 23, 2010

Jeffrey Plale
Senator
Room 313 South
State Capitol
P.O. Box 7882
Madison, WI 53707-7882

Re: Clean Energy Jobs Act

Dear Senator Plale:

I am writing to express my support for The Clean Energy Jobs Act (CEJA) - Assembly Bill 649 and Senate Bill 450.

Accordingly, I would like to offer any assistance that McKinstry may be able to provide in support of the bill.

As you may know, McKinstry is an energy contractor. We design, construct, operate, and financially guarantee the performance of the energy efficiency projects that our local workforce installs throughout Wisconsin, and across the nation.

Our work is in high demand and is an example of the job creation that can result when energy efficiency efforts align with fiscally responsible policy. We believe that the energy efficiency provisions in CEJA are examples of good policy that will achieve a number of positive outcomes. First, it will create durable, family wage jobs that put construction workers back to work, and that cannot be sent offshore. Second, this legislation is fiscally responsible and puts our state's economy on the right track going forward.

- **Job Creation.**

  We recently reviewed a report titled *The Macroeconomic Impact of the Wisconsin Clean Energy Jobs Act on the State's Economy*. That report concluded that CEJA will result in creation of over 16,000 jobs by 2025. Notably, jobs from energy efficiency work will total over 14,000 and account for the vast majority of employment catalyzed by this legislation. Other reports on similar legislation across the country

reach the same conclusion about the dramatic impact of energy efficiency work on job creation. Clearly, job creation and energy efficiency are inextricably related. Accordingly, the energy efficiency provisions of the Act are critically important to support and preserve as we strive to put people back to work.

- **Fiscal Responsibility**

  Additionally, we note the report's conclusion that the state will see a return of $3.25 for every $1 spent on energy efficiency. This ratio is consistent with the experience of other states in which we do business. For example, a recent report on legislation in Oregon concluded that the state has realized a 3:1 return on the state's clean energy investments over the past few years. In 2010, in the face of a severe budget crisis, Oregon has chosen to protect its energy efficiency programs because of the robust return on investment that they generate for the state. Wisconsin should implement the CEJA energy efficiency programs for the same reason.

For all of these reasons, among others, McKinstry supports this legislation. It creates jobs, it is fiscally responsible, and it is what our state needs to get back on track.

Please do not hesitate to contact me directly at 608-242-9190 or toml@mckinstry.com if I can provide any assistance in connection with the CEJA effort or any similar efforts going forward.

Sincerely,

Tom Laufenberg
Regional Director


FORWARD
E PLURIBUS UNUM

WESTERN LIME CORPORATION

MANUFACTURERS OF
DOLOMITIC & HIGH CALCIUM LIME
Since 1871

206 N. 6th Avenue, P.O. Box 57
West Bend, WI 53095-0057

Phone: 262/334-3005
FAX: 262/334-2874

February 24, 2010

Special Committee on Clean Energy Jobs
Wisconsin State Legislature
Madison, WI 53708

RE: Wisconsin's Proposed Clean Energy Jobs Act

Dear Committee Members:

Western Lime Corporation (Western Lime) appreciates the opportunity to comment on proposed bills SB 450 and AB 649, known as the Clean Energy Jobs Act. Western Lime is a family owned Wisconsin business with roots back to 1871. We employ 113 people in Wisconsin with an annual payroll of over $5 million. Western Lime owns manufacturing facilities in Eden, WI (south of Fond du Lac), the City of Green Bay and in Gulliver, MI as well as six quarries located in Counties of Fond du Lac, Dodge, Manitowoc and Calumet. Our operations support many other Wisconsin businesses from our frequent use of local contractors and consultants to our annual purchases and other expenditures. Western Lime also sells products to many Wisconsin businesses and is therefore very dependant upon the health of our customers and the local economy. We are very concerned about what we believe will be significant and economically detrimental effects of the proposed bills.

Western Lime is committed to reducing our energy intensity and is proud to own and operate some of the most fuel efficient plants in the lime industry. The lime industry has voluntarily committed through DOE's Climate VISION program to reduce CO_2 emissions from fuel combustion per ton of product by 8% between 2002 and 2012. The lime industry is well on target to meet this commitment. Based on our experiences with the commitment to DOE, we believe that addressing energy use is best handled at the federal level in order to minimize competitive disadvantages from developing between businesses in different states. For these reasons we are opposed to the proposed state-level bills.

Western Lime is a member of, and supports the comments submitted by Wisconsin Manufactures and Commerce (WMC) and the Wisconsin Paper Council. We agree that increasing energy prices, especially during a recession, will further damage the local economy. We believe that when evaluating measures such as those proposed in the Clean Energy Jobs Act, not only the benefits of the proposal but also the detrimental affects of the proposal should be carefully analyzed. We attended one of the hearings in Madison and it became very clear that many of the proponents of the bill, who anticipated hiring after the bill was passed, were talking about a small number of temporary jobs. We left wondering if creating these temporary jobs, that presumably do not include benefits such as health insurance and long term job stability, would be done at the

expense of existing well paying permanent jobs with full benefits. We believe it is imperative that Wisconsin find ways to grow the economy and create jobs without impacting or destroying existing jobs in the state. We believe that these bills, as proposed, will imperil existing jobs in our state.

State vs. Federal Regulations

Western Lime is concerned that the proposed state requirements will result in Wisconsin companies losing their ability to compete with out of state competitors, which could lead to reduced production in Wisconsin and emissions leakage. Implementing these types of regulations at a Federal level would lessen the impact of the transfer of production (and the associated emissions) to other states.

Western Lime competes with lime manufacturing companies located outside of Wisconsin in Illinois and many other states. Increased energy prices will increase the cost of manufacturing our products which makes our prices less competitive. Increased fuel prices will significantly impact the cost of delivery, which is commonly the deciding factor in whether or not our prices are competitive for our out of state customers. If our energy and fuel prices increase it will be difficult, and in many cases impossible, to compete with out of state competitors, which will result in a reduction in our sales and profitability.

Greenhouse Gas Reduction Targets

Western Lime has a number of concerns about the proposed emission reduction targets and believe they are too aggressive. Any reduction targets should be based on what is truly achievable in the region subject to the reductions. It is therefore concerning that the proposed rule incorporates emission reductions and renewable portfolio standards that are similar if not equal to those outlined in the American Clean Energy and Securities Act, which recently passed in the U.S. House of Representatives. It would be much more difficult and expensive for the State of Wisconsin to achieve these goals than it would be to achieve the goals at a federal level. A nationwide approach has much more flexibility in reaching the emission reduction targets, when technologies such as wind turbines and solar panels can be deployed to the areas of the country with the greatest potential for these technologies. For example, the strong potential for wind in the corridor between North Dakota and Texas would help to compensate for other states with little potential for renewable energy. This flexibility would also help reduce the costs of achieving the federal goals. When similar limits or goals are enacted at a state level, the flexibility in achieving these goals is significantly diminished and the cost will likely rise.

Greenhouse Gas Accounting

Western Lime is concerned that the stated emission reduction targets and the proposed method of accounting for greenhouse gas emissions are likely to mask success, or even worse, falsely indicate failure, simply due to the accounting methodologies. Lowering the reporting threshold from 100,000 tons to 10,000 tons will, in itself, increase the reported annual greenhouse gas emissions from the state. By requiring additional facilities to report, the state will increase the statewide emissions, especially when compared to the data collected for the year 2005, which was presumably collected using the 100,000 ton reporting threshold. This could result in the appearance that the emission reduction goals are not being met, despite true reductions in emissions.

If Wisconsin insists on lowering the reporting threshold, Western Lime encourages the state to adopt the 25,000 metric ton reporting threshold that was adopted in the EPA rule. EPA performed an extensive analysis to determine an appropriate reporting threshold that would capture a significant percentage of the greenhouse gas emissions, without imposing undue hardship on smaller entities that contribute minimal amounts to the overall emissions. EPA determined that a threshold of 10,000 tons would not be appropriate, stating in the Preample to the EPA rule that:

> [Compared to a threshold of 25,000 tons], "Our analysis indicates that a 10,000 metric ton CO2e/yr threshold would approximately double the number of reporters, but would only increase national emissions coverage by one percent."

We encourage the state to review the EPA's findings concerning reporting thresholds and are confident that a reporting threshold of 25,000 metric tons is a more appropriate and accurate method for collecting the emissions data than a 10,000 ton threshold. We should note that whether the reporting threshold remains at 10,000 or is raised to 25,000, Western Lime's facilities would still be subject to reporting. We are making these suggestions based solely on what we believe would provide the requested data, without adding further burden and cost to small businesses, DNR staff and the taxpayers, especially given the current economic conditions.

Western Lime strongly encourages the state to consider using the greenhouse gas emissions data that will be collected annually by the Environmental Protection Agency (EPA) under the newly promulgated 40 CFR Parts 86, 87, 89 et al. Mandatory Reporting of Greenhouse Gases (the EPA rule). The EPA rule requires annual reporting with the first annual report covering 2010. The EPA is developing an electronic web-based reporting system, so the data will be available electronically. Using the data collected by the EPA will provide a number of benefits to the state, including:

1. Significant reduction in the DNR staff time required to collect, analyze and verify data
2. Improved accuracy due to the stringent data gathering, recordkeeping and certification requirements of the rule
3. One set of reporting requirements, which will significantly reduce the financial burden on entities required to report emissions when compared to differing reporting requirements between state and federal reporting requirements.

Boiler Optimazation Requirements

Western Lime is concerned about the boiler requirements listed in the proposed bill. While we appreciate the need to operate processes efficiently, and have led the lime industry in doing so, we believe that requiring sources to implement recommendations from these studies would result in undue hardship to many of our customers, especially in the paper industry. Many times the improvements recommended in an energy efficiency study are not financially viable. In addition, many of the typical recommendations could trigger extensive permitting requirements under New Source Review/Prevention of Significant Deterioration requirements. Western Lime has a number of facilities subject to these regulations and knows first hand the difficulty and high cost of attaining these permits. Permitting requirements would delay the project and could likely result in the requirement to add millions of dollars in control equipment. To risk triggering these

requirements by requiring the implementation of recommended improvement could cost facilities a great deal of money for minimal improvements in efficiency.

Conclusion

We are opposed to these types of regulations at a state level and believe as proposed the rules are much too aggressive. We believe the rules will significantly impact Wisconsin's economy and will result in additional job losses in the state at a time when our economy and the people of Wisconsin cannot afford to loose more jobs. We encourage the state to focus on proven job creating measures such as cutting taxes and removing the red tape that inhibits businesses from moving into the state. We would be happy to discuss our business and how it will be impacted should these regulations be passed. Please contact us at 262-334-3005, ext. 101 with any questions.

Sincerely,

Rick Vandermause	Mike Nast	Mindy Ochs, P.E.
President	Vice President	Environmental and Regulatory Director


FORWARD

WISCONSIN APOLLO ALLIANCE

MEMORANDUM

February 24, 2010

SB 450?

TO: Senator Miller, Senator Plale, Representative Black, and Representative Soletski
FR: Wisconsin Apollo Alliance
RE: Labor standards in the Clean Energy Jobs Act

We appreciate your many months of hard work in drafting this critical legislation. We especially appreciate the fact that you are focusing on and highlighting the job-creation aspect of these policies. To that end, we want to make sure that you are considering all of potential ways to make sure that these policies not only create as many jobs as possible but also make sure that the clean energy jobs that these policies create are quality jobs – well paid, family sustaining jobs with opportunities for advancement.

Specifically we hope that you will consider:

- including labor standards in all applicable policies, including the renewable portfolio standard and energy efficiency targets.
- For any case where the State is spending money directly, you should consider "responsible contracting" which allows the selection of contractors based on experience, safety record, and worker benefits in addition to price; domestic sourcing of materials; requiring neutrality in any union organizing campaign; and Community Benefits or Project Labor agreements that specify things like local hiring policies and apprenticeship utilization. Any requirements of general contractors should apply to subcontractors as well.
- For any case where the state is creating grants, loans or incentives, you should consider prevailing wage requirements; requiring neutrality in any union organizing campaign; and Community Benefits or Project Labor agreements that specify things like local hiring policies and apprenticeship utilization. Any requirements of general contractors should apply to subcontractors as well.
- For policies like the RPS and any energy efficiency standards, you should consider both a prevailing wage standard and offering renewable energy credit bonuses for things like local and/or first-source hiring, apprenticeship utilization and other job quality benefits.

Below are examples of policies in other states that have set labor standards:

<u>California</u>

California's RPS policy defines state-funded renewable energy projects as "public works" projects, such that they fall under prevailing wage laws:

> "(h) Construction, alteration, demolition, installation, and repair work on an eligible renewable energy resource that receives production incentives or supplemental energy payments pursuant to Section 383.5, including, but not limited to, work performed to qualify, receive, or maintain production incentives or supplemental energy payments is "public works" for the purposes of Chapter 1 (commencing with Section 1720) of Part 7 of Division 2 of the Labor Code."

Renewable Portfolio Standard Standard Contract Terms and Conditions established by the California Public Utilities Commission state that: "To the extent applicable, Seller shall comply with the prevailing wage requirements of Public Utilities Code section 399.14, subdivision (h)."

Full policy can be found at: http://www.energy.ca.gov/portfolio/documents/SB1078.PDF

Washington State

Washington's existing prevailing wage laws apply to any public utility construction projects executed at the cost of any state or local public agency. Additionally, the RPS policy states that:

> "A qualifying utility that acquires an eligible renewable resource or renewable energy credit may count that acquisition at one and two-tenths times its base value:
> (A) Where the eligible renewable resource comes from a facility that commenced operation after December 31, 2005; and
> (B) Where the developer of the facility used apprenticeship programs approved by the council during facility construction.
> (ii) The council shall establish minimum levels of labor hours to be met through apprenticeship programs to qualify for this extra credit."

Full policy can be found at: http://www.secstate.wa.gov/elections/initiatives/text/I937.pdf

We certainly understand your interest in keeping the legislation within the "four corners" of the Governor's Task Force on Global Warming recommendations. Those recommendations did include a specific recommendation on "Training for Green Jobs" and clearly you appreciate the emphasis and importance on the job creation potential of many of these policies, therefore, labor standards such as those described above appear to clearly be within the details that need to be worked out for many of these policies. It seems prudent to address those details as early in this process as possible.

Thank you for your time and consideration of this important aspect of the Clean Energy Jobs Act, and we would be happy to meet and discuss any aspect of this matter. Feel free to contact any of us individually, or via Wisconsin Apollo Alliance staff, Satya Rhodes-Conway, at 608-262-5387 or satya@cows.org.


FORWARD
E PLURIBUS UNUM

CUB
Citizens Utility Board

February 25, 2010

The Honorable Mark Miller
The Honorable Jeff Plale
Co-Chairs
Senate Select Committee on Clean Energy
State Capitol, Madison, Wisconsin

The Honorable Spencer Black
The Honorable James Soletski
Co-Chairs
Assembly Select Committee on Clean Energy Jobs
State Capitol, Madison, Wisconsin

RE: Request by the Citizens Utility Board for amendments to the Clean Energy Jobs Act AB 649 and SB 450

Dear Senator Miller, Senator Plale, Representative Black, and Representative Soletski:

I would like to provide you with recommendations for improving the Clean Energy Jobs Act, AB 649 and SB 450.

I had the privilege of serving on Governor Doyle's Task Force on Global Warming, and CUB's research director Dennis Dums also participated on several task force working groups and as my alternate.

CUB supports the recommendations of the task force, including the recommendations to strengthen Wisconsin's energy efficiency programs, to increase the requirements for renewable energy development, and to modify the so-called nuclear moratorium, as outlined in the report of the task force sent to Governor Doyle in July 2008. We believe these recommendations will help Wisconsin residents and businesses use less energy and reduce their monthly energy bills, spur the development of Wisconsin's renewable energy resources and related businesses, create new jobs, slow down the flow of dollars for out-of-state for fossil fuels, and reduce Wisconsin's greenhouse gas emissions.

Though we greatly appreciate your efforts to create legislation that reflects many of the task force recommendations, I respectfully request that you consider the following suggestions that would improve the legislation.

16 N. Carroll St., Suite 530 • Madison, WI 53703 • 608.251.3322 • fax 608.251.7609
e-mail: staff@wiscub.org • website: www.wiscub.org

CUB supports the changes proposed by Roy Thilly and Tia Nelson, co-chairs of the task force, who provided you with suggested changes from former members of the task force in a memo dated January 26, 2010. In short, these suggested changes would strengthen the goals and requirements for Wisconsin's energy efficiency programs, and clarify several provisions of the renewable energy portfolio standard.

In particular, we strongly support the recommendation by former task force members that the Public Service Commission shall establish energy savings targets and budgets so that the state will meet or exceed the goals set forth in the existing "energy priorities law" 1.12(4) and the new Section 287, which creates 299.03. CUB believes strong energy efficiency goals and the budgets needed to meet them are essential requirements of a rational energy policy.

Regarding the modifications to the so-called nuclear moratorium, CUB supports the provisions in AB 649 and SB 450 as currently drafted. We believe these provisions capture the intent of the recommendations of the task force, especially the so-called "output finding" of Section 250, which creates 196.493(2)(am)4; and the "nonseverability clause" of Section 9141. These two items, along with other provisions of the legislation, would make sure that new nuclear power plants meet Wisconsin's need for electricity, and that the output from these plants would be sold to Wisconsin utilities (and then to their customers), even if the nuclear plants were built or owned by an entity other than a Wisconsin utility.

According to the testimony of many parties, the proposed modifications to the nuclear moratorium appear to be very controversial. Several groups have suggested weakening the proposed modifications to the nuclear moratorium currently in the legislation by removing the "output finding" and the "nonseverability clause." Unfortunately, CUB would be unable to support the legislation should the output finding or the nonseverability clause be amended inappropriately or deleted. CUB agreed to the recommendations of the task force regarding changes to the nuclear moratorium. Any further compromise on this issue would force us to oppose the legislation. Indeed, we urge you to leave the nuclear moratorium provisions as they are, and to strengthen the energy efficiency provisions as outlined above.

Please contact me if you have any questions, and thank you for your consideration.

Sincerely,

Charlie Higley
Executive Director


FORWARD
E PLURIBUS UNUM

CREWE

Clean, Responsible Energy for Wisconsin's Economy

March 3, 2010

Dear Legislator,

Sunday's editorial in the Milwaukee Journal Sentinel (attached) called for the Clean Energy Jobs Act to be passed. The article cited "economic and environmental reinvention" while debunking the study from the Wisconsin Policy Research Institute that has been contradictory and misleading in regards to the bill.

Besides the Journal Sentinel, many other media, trade groups and voters are asking lawmakers like yourself to work quickly to reach consensus on a bill so that this important opportunity is not lost. Keep in mind that passing the Clean Energy Jobs Act is a win-win situation for Wisconsin—AB 649/SB 450 will help our economy and our climate.

Sincerely,

Thad Nation
Executive Director
Clean, Responsible Energy for Wisconsin's Economy (CREWE)

16 N. Carroll St. Suite 900
Madison, WI 53703
(608) 256-7701

MILWAUKEE JOURNAL SENTINEL

THIS ACT IS NOT JUST ABOUT JOBS; IT'S ABOUT THE FUTURE

It's about whether the quality of our future is seriously diminished by climate change. Wisconsin must do its part. Tweak it, but approve the Clean Energy Jobs Act.

EDITORIAL
Sunday, Feb. 28, 2010

The tone and tenor of the debate over the Clean Energy Jobs Act was determined the moment the legislation was named.

Supporters built into the name what they, not unreasonably, believed would be one of the bill's principal virtues: job creation. But, with recession-induced trauma still fresh in everyone's minds, it is simply too easy and expedient - facts be damned - to call virtually any new legislation a jobs killer, from health care reform to even a jobs bill.

We believe the jobs will be there, but it is important at this juncture to recognize that this bill is not really intended as an economic stimulus measure. In very real terms, it is an attempt at economic and environmental reinvention - done with the specter of climate change and all its effects looming.

Yes, climate change, with humanity as a major contributor, is real. But even if you don't believe that, there is little to no downside to a future in which a good portion of our energy comes from renewable sources - 25% by 2025 - and no downside to a future in which energy efficiencies mean we are doing the same or more with less energy.

The reinvention comes in two other goals: growing new technologies and fostering energy independence. Doing this will have far more enduring effects on those bottom lines in the future than any short-term benefit derived from doing nothing now to cushion today's corporate bottom lines.

On jobs, there are two dueling studies cited most often on whether the Clean Energy Jobs Act will actually create jobs.

One is by researchers at Michigan State University and the University of Southern California for the Center on Climate Strategies, the results of which are similar to findings by various state agencies. It forecasts a net increase of more than 16,200 new jobs in Wisconsin by 2025. It predicts a boost to the state's economy of $4.85 billion total "in net present value" from 2011 to 2025.

The other study was done by the Wisconsin Policy Research Institute. It contends that policies similar to those in the bill would kill 43,000 Wisconsin jobs. The problem: It did not model the actual policies in the bill.

The Michigan study is more believable. Our guess is that some jobs will be lost and some will be gained, but we believe that in the end there will be a net gain. The Michigan study, after all, looked at what's in the bill. Those who disagree with its conclusions will likely pin their doubts on the fact that the study was commissioned by the state, whose governor has made passage of this legislation one of his key goals for the remainder of his term. He is not running for re-election.

But we invite the critics to read the study and, if they're going to criticize, to focus instead on the assumptions built in and the methodology.

Here's one assumption we're making: Whether or not Congress ever enacts some form of carbon tax (it should), the cost of carbon will continue to rise.

Already, the Environmental Protection Agency has said greenhouse gases pose a danger to public health, which led to a decision in December to regulate carbon dioxide emissions. This is another way of saying that the cost of diminishing resources - fossil fuels - will continue to rise and that even the cost of a resource touted as plentiful - coal - will as well.

You want to talk about job killers? Energy dependence, rising energy costs, inefficiencies allowed to continue unfettered, environmental changes wrought by climate change - these are viruses deadlier than anything government could impose.

The Clean Energy Jobs Act, including its requirement for low-carbon fuels, is a hedge the state should enact against that.

And even if you don't believe that the Clean Energy Jobs Act will result in lower utility rates over time (predicated on some form of carbon tax), does anyone think all those maladies above won't also result in higher rates?

The efficiencies alone in this bill should compel approval. The state will develop new building codes for residential, commercial, agricultural and its own buildings.

This is not to say that this bill can't be improved. The bill would allow construction of new nuclear plants, no longer requiring a site for long-term disposal of spent nuclear fuel to be developed before a nuclear plant could be built. However, the bill also requires that power generated from any new nuclear plant built in the state be used only in Wisconsin. This is unworkable. Wisconsin electricity is part of a larger pool of Midwestern electricity.

The bill also says that if any part of the nuclear measure is determined to be unconstitutional, all of the nuclear changes go away. That's like having a loaf of bread with a bad slice at the end but throwing the entire thing away.

Other tweaks will be necessary as well.

Worried about whether the state's utilities can meet that 25% by 2025? It's a realistic goal. But we also know that the bill provides for delays if the price gets too hefty. In any case, let the energy savings created by efficiencies count toward the renewable energy goal.

This bill is said to be dead. If so, it will be in fine company. The same is said of other legislation - on Milwaukee Public Schools governance, for instance.

We hope it isn't true. We hope this Legislature doesn't share with its counterparts on the Potomac that syndrome that affects the ability to accomplish much of anything - if the issue is important and excites passions.

At bottom, this bill is about just such a topic, climate change - doing our part to moderate its effects. Broader federal legislation would be preferable, but it would be irresponsible for the state to wait.

Change the bill to cushion impact and cost where advisable. But deal with it.


FORWARD
E PLURIBUS UNUM

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

Copy: Members, Wisconsin Legislature

From:

Aggregate Producers of Wisconsin
Associated Builders & Contractors of Wisconsin, Inc
Associated General Contractors of Wisconsin
Eau Claire Area Chamber of Commerce
Fond du Lac Association of Commerce
Forward Janesville, Inc.
Fox Cities Chamber of Commerce & Industry
Green Bay Area Chamber of Commerce
Heart of the Valley Chamber of Commerce
Independent Business Association of Wisconsin
La Crosse Area Chamber of Commerce
Marshfield Area Chamber of Commerce & Industry
Menomonee Falls Chamber of Commerce
Metropolitan Builders Association
Metropolitan Milwaukee Association of Commerce
Midwest Equipment Dealers Association
Midwest Food Processors Association
National Federation of Independent Businesses – Wisconsin Chapter
Oshkosh Chamber of Commerce
Racine Area Manufacturers & Commerce
Wausau Region Chamber of Commerce
West Bend Area Chamber of Commerce
Wisconsin Automobile & Truck Dealers Assn.
Wisconsin Automotive Aftermarket Association
Wisconsin Automotive Parts Association
Wisconsin Builders Association
Wisconsin Cast Metals Association
Wisconsin Economic Development Association
Wisconsin Engine Manufacturers & Distributors Alliance
Wisconsin Housing Alliance
Wisconsin Independent Businesses
Wisconsin Industrial Energy Group
Wisconsin Manufacturers & Commerce
Wisconsin Motor Carriers Association
Wisconsin Paper Council
Wisconsin Petroleum Council
Wisconsin Petroleum Marketers & Convenience Store Association
Wisconsin Potato & Vegetable Growers Assn.
Wisconsin Restaurant Association
Wisconsin Retail Council
Wisconsin Utility Investors, Inc.

Date: March 11, 2010

Subject: SB 450 & AB 649, relating to recommendations of the Governor's Task Force on Global Warming

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As representatives of Wisconsin's manufacturing, agriculture, construction, transportation and economic development communities, we write to register our collective opposition to the state global warming legislation. While we support the goals of energy efficiency and renewable energy, the costly and prescriptive mandates in this legislation will significantly increase the cost of energy, and harm key sectors of our economy at a time when businesses and homeowners can least afford it.

Affordable and reliable energy is the lifeblood of our economy. Unfortunately, this legislation will lessen our economic competitiveness by increasing energy costs at a time when our electric rates have climbed faster than those of any Midwest state. Beyond hiking electric rates, these bills will increase the cost of gasoline automobiles and trucks, transportation infrastructure improvements, and commercial and home building construction projects. Imposing these burdens on struggling businesses and citizens will come at great costs while having no meaningful impact on global temperatures or greenhouse gas emissions.

Although we are encouraged that the authors appear to recognize certain policies such as the low carbon fuel and California vehicle emission standards should be removed from the bill, the most expensive and economically damaging policies would remain in the proposed legislation. Specifically, the renewable portfolio standard (RPS) and energy efficiency surtaxes will be tremendously expensive, and will result in double-digit increases for Wisconsin utility customers.

For example, the Public Service Commission of Wisconsin (PSC) concluded that meeting a 25 percent RPS would require the addition of at least 400 megawatts of new renewable generation each year until 2025, with a likely capital cost of $2.32 million per megawatt. This adds up to a total cost of $15 billion, without considering the billions of dollars needed to construct new transmission lines to accommodate the new generation. Recent wind project costs in Wisconsin are consistent with these projections. Thus, there is no disputing the fact that a 25 percent renewable mandate will be extraordinarily expensive for Wisconsin families and businesses.

Forcing customers to pay for new electric generation, which may be fairly characterized as a renewable energy tax, is particularly inappropriate given our state's substantial excess generation capacity. We have invested billions of dollars in recent years to improve our electric generation and transmission infrastructure, resulting in a *30.9 percent surplus of electricity*. Rather than forcing homeowners and businesses to pay for additional electricity we do not need, ratepayers should be given time to cash out the equity in investments already made.

We also have great concerns and thus oppose the new energy efficiency surtaxes on monthly energy bills. The bill gives the PSC virtually unlimited authority to set energy taxes at a level necessary to fund government spending on energy efficiency programs to reduce electric consumption by 2 percent statewide. This "tax and spend" policy approach ignores the fact that Wisconsin businesses helped drive a five-fold economy-wide increase in energy efficiency over the past four decades.

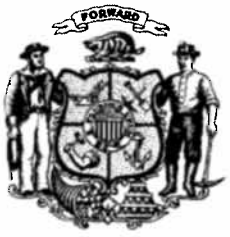
A report issued last year by the Energy Center of Wisconsin highlights the staggering cost of these new energy taxes on homeowners and businesses. Commissioned by the PSC, the study found it would cost at least $700 million per year to fund energy efficiency programs to achieve a 1.9 percent reduction in electricity consumption – still short of the 2 percent goal. We believe, and history has shown, that businesses and homeowners have sufficient economic incentives to conserve energy without the need for $700 million per year in stealth energy taxes on monthly electric bills.

Finally, we object to the residential and commercial building code provisions contained in this legislation, which apply to new construction. Even though Wisconsin already has stringent energy codes, these bills would, with very limited exceptions, require the adoption of an international code developed outside of Wisconsin. Moreover, the legislation eliminates the ability to consider costs and benefits associated with adopting these provisions. This approach abrogates the ability of Wisconsin policymakers to adopt codes that they believe are best for Wisconsin, and likely will hurt housing affordability by eliminating the ability to consider costs.

It is increasingly clear that the costs associated with this legislation will be enormous, and the benefits nominal. We urge the committees and the entire Legislature to reject these proposals, and instead focus on advancing policies that make Wisconsin more competitive by reducing, rather than increasing energy costs. We look forward to working with lawmakers to improve our overall business climate to provide permanent, family-supporting jobs for all sectors of our economy.

Per Capitol Mailroom requirements, this memo was distributed on behalf of the 41 listed organizations, by: Scott Manley, smanley@wmc.org, PO Box 352, Madison, WI 53701, 608-258-3400.

WISCONSIN STATE LEGISLATURE



Lynch, Abigail

SB 450?

From: T.J. Morice [tj@marthwood.com]
Sent: Wednesday, March 17, 2010 6:53 AM
To: Sen.Plale
Subject: Good Areas fo the Clean Energy Jobs Act

Dear Senator Plale,

Marth Companies produces clean burning fuel made from local wood products in Wisconsin and employs 75 people in Northern Wisconsin. Marth is a founding member of the Biomass Thermal Energy Council and supports policies that recognize biomass thermal energy as a renewable, responsible, clean and energy-efficient pathway to meeting America's energy needs. The Clean Energy Jobs Act includes a number of biomass policies that are consistent with our views. The following biomass energy policies will benefit the foresters, harvesters, truckers, biomass fuel producers, appliance manufacturers/distributors and a variety of other supply chain companies to meet more of Wisconsin's energy needs from homegrown biomass:

Policies we support that will benefit the use of biomass for heating Wisconsin schools:

- Public school district assistance to expand the number of schools in Wisconsin that use biomass heating systems.
- Municipal levy limit exemption for energy efficiency and renewable energy products.

Policies we support that will help Wisconsin install more biomass heating systems:

- Expansion of the renewable energy programs at Focus on Energy.
- New eligibility for propane and fuel oil consumers in Wisconsin to access Focus on Energy renewable energy programs.
- More research funding for Focus on Energy to expand existing research on biomass fuel supplies, pellet analyses and other bioenergy research topics relevant to our industry.

Policies we support that recognize highly efficient biomass energy systems:

- Expanded Renewable Portfolio Standard (RPS) that recognizes the most efficient uses of biomass for heating and cogeneration systems.
- Streamlined air permit requirements that will reduce the regulatory burden for industrial facilities to convert or replace industrial boilers in Wisconsin with biomass.
- Industrial development revenue bonds to provide incentives for biomass heat and cogeneration systems.
- Expanded bioenergy goals for the State of Wisconsin to use biomass for 25% of the heating needs at state facilities by 2025.

Provisions that we support that will encourage the production of local biomass resources in Wisconsin:

- Energy crop reserve program to award contracts to farmers to plant native perennial plants, which the farmer can then sell for biomass heating systems.
- Private forest landowner grant program to lower the cost for landowners to develop and implement sustainable forest management plans.
- Forest carbon credit assistance to provide forest landowners with more opportunities to create and sell carbon credits, providing additional income to landowners to keep Wisconsin's forests in production.
- Private forest owner outreach to identify and offer forest management and carbon credit information and assistance to forest landowners.
- Bioenergy feedstock production incentive study for state agencies to analyze the total incentives for different biomass feedstocks and identify gaps and additional opportunities, such as loan guarantees.

Thank you for your consideration and don't hesitate to contact me regarding these or any other related issues.

Tony "T.J." Morice
Office (715) 842-9200 Ext. 237
Matthew 6:21
www.marthwood.com

MARTH
FIBER IN MOTION

BTEC
Biomass Thermal Energy Council
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Cooperative Network

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March 29, 2010

To: Members, Wisconsin Legislature

From: Bill Oemichen, President & CEO

RE: Clean Energy Jobs Act

It has come to our attention at Cooperative Network that there remains a significant lack of understanding about provisions that were recommended by the Governor's Task Force on Global Warming, yet not included in AB 649 & SB 450 (Clean Energy Jobs Act). As the co-chair of the Forestry and Agriculture Working Group of the Governor's Task Force, I was particularly disappointed when AB 649 and SB 450 were introduced without provisions that would provide incentives for farmers and others to increase the availability and use of renewable biomass and biofuels, maximize terrestrial carbon sequestration, and reduce greenhouse gas emissions. This fact is among the reasons that Cooperative Network has had concerns with the legislation since its introduction.

The task force recommendations not found in the Clean Energy Jobs Act (CEJA) include the following, not listed in any priority order to us:

Advanced biomass and biofuel commercialization and utilization
This policy recommended legislation to increase the availability and use of renewable biomass and biofuels for electricity, heat and transportation by:

- Providing financial support to biomass producers for the purchase of new equipment and technology needed to harvest, process, and transport biomass feedstocks, and to replace older equipment or introduce more energy efficient equipment, resulting in further reduction of carbon emissions;
- Providing financial support to reduce risk and uncertainty for biomass producers, and;
- Providing support for biomass aggregators and infrastructure such as transportation, storage, and processing.

Afforestation and reforestation
This policy recommends enhancement of existing state programs, and increased education and assistance, to encourage afforestation and reforestation to decrease GHG emissions through terrestrial carbon sequestration. These changes include:

- Improving Wisconsin's Managed Forest Law (MFL);
- Enhancing the Wisconsin Forest Landowner Grant Program by increasing the funding available to private landowners for a variety of management action.

Forest loss prevention
This policy recommends legislation establishing a state program to prevent loss of forest land through parcelization or conversion out of forestry. A state Forest Legacy Program that would mirror the Federal Forest Legacy Program is recommended to provide matching funds to land trusts and local communities to allow the voluntary placement of conservation easements and obtain federal grants to purchase conversation easements.

Sustainable forest management
This policy recommends legislation to create incentives for private landowners to engage in sustainable forest management techniques and practices that increase the carbon storage potential of forests, including:

- Creating a new incentive program called the Carbon Sequestration Tax Incentive Program (CSTIP) that would provide property tax relief involving a "carbon lease" to the state while requiring that the landowner develop a forest management plan and commit to sustainable forest management practices that increase the carbon sequestration potential of the forest.

Urban forestry
This policy recommends a statewide private-public collaborative tree planting and management initiative, an increase in the Urban Forestry Grant Program, and additional state support resources to decrease GHG emissions in urban environments through increased tree planting.

Production, capture, and use of animal methane
This policy recommendation seeks to increase the capture and use of animal methane for electricity or heat and to reduce current methane emissions. Policy options suggested include:

- Granting a tax credit for production of electricity or biogas from manure;
- Providing a state subsidy for digester capital costs, interest costs, or to cover risk incurred by private lenders for digester projects;
- Creating a state fund for incentives for utilities to pay a higher rate for electricity or biogas supplied from manure digesters;
- Fund research to increase the economic viability of manure digesters and other waste-to-energy systems and efficiently bring waste-to-energy systems to market through farmer-owned cooperatives.

Nutrient and manure management
This policy is aimed at reducing application of nitrogen and overall use of chemical fertilizers through state incentives and mandated adoption of nutrient management practices, thereby reducing nitrous oxide and CO2 emissions. Recommendations include:

- Increasing state cost-sharing for nutrient management planning;
- Increasing funding for education on manure handling, nutrient management, etc.

Encourage prairie plantings
This policy recommends providing research dollars to investigate carbon storage in prairie systems and cost-share funding for prairie restoration and creation by providing state tax credits.

Soil Management practices
The goal of this policy is to increase carbon stores in agricultural soils over the next 25 years. To do so, a significant number of farmers must adopt practices such as cover cropping and reduced tillage, demonstrated to be effective by research. This could be advanced by:

- Increasing government payment to farmers for adoption of such practices;
- Increased state funding for research on the most effective soil management practices for sequestering carbon.

Preservation of existing vegetative cover carbon sinks on CRP lands
This policy recommends incentives to reward private landowners for growing energy crops or sequestering carbon by maintaining vegetative cover. These include:

- The state to create an Energy Crop Reserve Program that would provide incentive payment to landowners for growing perennial grasses and energy crops on land previously enrolled in the federal Conservation Reserve Program (CRP);
- Provide state income tax credits to landowners who maintain existing vegetative cover;
- Establish a Carbon Conservation Easement program to purchase easements on private lands that would restrict disturbances of existing vegetative cover.

Many of these recommendations were found to be very cost-competitive compared to other actions that could be taken by the state to reduce greenhouse gases.

We remain hopeful legislation will be proposed that recognizes the substantial greenhouse gas reduction efforts that can be achieved by the Wisconsin agricultural community.

Wisconsin cooperatives and their members understand that most of these incentive-based recommendations would commit resources not presently available to the state. Nevertheless, the lack of inclusion of them in this legislation, combined with the concerns we have about unknown overall cost impacts of AB 649/SB 450 on consumers of energy and other cost impacts on cooperative business, farms, and individuals has resulted in our overall concern with the legislation as introduced. In looking at one prominent component of the legislation, we believe that the legislation's 25 percent renewable energy mandate could add roughly 16 percent to the electricity bill of individual customers, perhaps even more. The PSC estimated the cost of attaining a "25 percent by 2025" provision to be $14.8 billion. While substitute amendment language to AB 649/SB 450 is anticipated, we understand this provision may remain and will likely continue to cause substantial concern to rural residents.

Please let my colleagues Beata Kalies, John Manske, Share Brandt, Tim Clay, or me know if you have any questions.


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Tataskweyak Cree Nation

Box 250 Split Lake, Manitoba R0B 1P0
Telephone: (204) 342-2045 Fax: (204) 342-2270

March 30, 2010

SB450?

Senator Jeff Plale
State Capitol
Room 313 South
P.O Box 7882
Madison, WI 53707-7882

Dear Senator Plale,

I am writing on behalf of the Tataskweyak Cree Nation to advise you of our views relative to the portion of the *Clean Energy Jobs Act* which pertains to Manitoba Hydro exports.

The Tataskweyak Cree Nation has entered into an agreement with Manitoba Hydro to become a partner in constructing the Keeyask Generating Station which will provide clean, renewable energy including to your state. Partnership in this project is one of the most important initiatives in the history of our Nation and of vital economic interest to our people.

Our treaty and aboriginal rights and interests are constitutionally protected here in Canada. Provincial and Federal Governments, before making any decisions which may impact our treaty and aboriginal rights, are required by law to undertake a process of meaningful consultation with us and all other potentially affected First Nations. In addition, Tataskweyak has a number of important Agreements in place with the Provincial and Federal Governments and Manitoba Hydro, which are enforceable in the Courts or through binding arbitration.

In light of these facts and with all due respect, I trust that you can understand that we do not believe that the expressed positions of the Forest County Potawatomi are supportive of our rights, interests and objectives.

Rather than seeking to impose foreign requirements on our government to government arrangements, we would respectfully suggest that the Wisconsin legislature should simply require that Manitoba Hydro obtain final licences for Churchill River Diversion and Lake Winnipeg Regulation and let the Manitoba government and First Nation governments complete the mandated process. We urge that, should any remedies be required those be left to Canadian legal processes, which are best suited to resolve any issues which might arise.

I have attached a brief overview of Tataskweyak Cree Nation recent history for your information. I would ask that you agree to meet with me and senior representatives of my Nation at your earliest convenience.

Yours truly,

Chief Duke Beardy

Att.