



State of Wisconsin
2021 - 2022 LEGISLATURE

LRB-5401/1
EHS:amn

2021 SENATE BILL 760

December 17, 2021 - Introduced by Senators ROYS, LARSON, AGARD, ERPENBACH, L. TAYLOR and SMITH, cosponsored by Representatives NEUBAUER, ANDERSON, EMERSON, BALDEH, BROSTOFF, CABRERA, CONLEY, CONSIDINE, HEBL, HONG, B. MEYERS, MILROY, OHNSTAD, POPE, S. RODRIGUEZ, SHANKLAND, SHELTON, SINICKI, SNODGRASS, SPREITZER, STUBBS, SUBECK and VINING. Referred to Committee on Natural Resources and Energy.

1 **AN ACT to create** 196.025 (1h) of the statutes; **relating to:** evaluating the social
2 cost of carbon emissions.

Analysis by the Legislative Reference Bureau

This bill requires the Public Service Commission to consider the social cost of carbon in determining whether to issue certificates required to construct large electric generating facilities or high-voltage transmission lines or to engage in certain other public utility projects. The bill defines “social cost of carbon” as a measure of the economic harms and other impacts expressed in dollars that result from emitting one ton of carbon dioxide into the atmosphere. The bill includes the legislature’s finding that the social cost of carbon is \$50 per ton of carbon dioxide emitted into the atmosphere. However, the bill requires PSC to annually evaluate the social cost of carbon and adjust as necessary the dollar amount found by the legislature. In making the evaluations, PSC must use integrated assessment models and consider appropriate discount rates. The bill requires any adjustment by PSC to be consistent with the international consensus on the social cost of carbon. The bill requires PSC to consult with the Department of Natural Resources in making the evaluations.

The bill also requires that, beginning no later than January 1, 2023, PSC must submit an annual report to the legislature describing the PSC’s evaluation of the social cost of carbon. If PSC adjusts the dollar amount found by the legislature, the report must also specify the social cost of carbon as adjusted by PSC.

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For further information see the state fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 196.025 (1h) of the statutes is created to read:

2 196.025 **(1h)** SOCIAL COST OF CARBON EMISSIONS. (a) In this subsection, “social
3 cost of carbon” means a measure of the economic harms and other impacts expressed
4 in dollars that result from emitting one ton of carbon dioxide into the atmosphere.

5 (b) Subject to par. (c), the legislature finds that the social cost of carbon is \$50
6 per ton of carbon dioxide emitted into the atmosphere.

7 (c) In consultation with the department of natural resources, the commission
8 shall annually evaluate the social cost of carbon and adjust as necessary the dollar
9 amount found under par. (b). The evaluations shall use integrated assessment
10 models and consider appropriate discount rates. Any adjustment shall be consistent
11 with the international consensus on the social cost of carbon. No later than January
12 1, 2023, and annually thereafter, the commission shall submit to the appropriate
13 standing committees of the legislature under s. 13.172 (3) a report that describes its
14 evaluation and, if the commission adjusts the dollar amount found under par. (b),
15 specifies the social cost of carbon as adjusted by the commission.

16 (d) The commission shall consider the social cost of carbon in determining
17 whether to issue certificates under ss. 196.49 and 196.491 (3).

18 **SECTION 2. Initial applicability.**

19 (1) The treatment of s. 196.025 (1h) (d) first applies to applications for
20 certificates that are received on the effective date of this subsection.

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(END)