MISC_pt07
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Legislative Briefing

Senate District 9

Date: July 16, 2002

Time: 9 – 10:30 am

Place: City Hall, Sheboygan

Senator Jim Baumgart. .....Senate District 9

Representative Steve Kestell. ..... Assembly District 27

WisDOT District 3 Staff

George McLeod.....District Director

Steve Noel.....Project Development Supervisor

Robert Wagner.....Corridor Planning Engineer

Captain David Pichette.....State Patrol District 3

Jill Hjelsand.....District Director, DMV, District 2

Agenda

Welcome and Overview.....George McLeod

2001 Construction Overview.....Steve Noel

Update on WIS 23.....Robert Wagner

Open Discussion.....All
*Constituent relations, safety and maintenance, State Patrol, DMV

District 3 Contact List for Legislators

Division of Transportation Districts - District 3

Access Control.....Dave Andre (920)492-5681
Accidents.....Ken Denamur (920)492-3517
Adopt-A-Highway.....Bill Prue (920)492-5680
Air Quality.....Carrie Lutz (920)492-5740
Archeology (Brown, Calumet, Door, Kewaunee, Marinette, Oconto).....Mike Helmrick (920)492-7738
Archeology (Manitowoc, Menominee, Outagamie, Shawano, Sheboygan, Winnebago).....Carrie Lutz (920)492-5740

Bicycle Facilities.....Jenny Cavanaugh (920)492-5986
Billboards.....Edward Jaskolski (920)492-5650
Bridges.....()-
Brown County Supervisor.....Jill Michaelson (920)492-5698
Brush/Trees.....Al Beyer (920)492-5701

Calumet County Supervisor.....Roger Rahlf (920)492-7714
Corridor 10 (Fremont/41).....Bill Bertrand (920)492-5708
Corridor 110 (41/116).....Kurt Wranovsky (920)492-5645
Corridor 141 (22/64).....Paul Vraney (920)492-5999
Corridor 41 (Oconto/Peshtigo).....Jill Michaelson (920)492-5698
Corridor 57.....Jill Michaelson (920)492-5698
Cost Sharing.....()-

Deputy District Director.....Will Dorsey (920)492-5684
Detour Information.....Alice Meurer (920)492-5623
District Director.....George McLeod (920)492-5665
Door County Supervisor.....Roger Rahlf (920)492-7714

Economic Assistance (TEA).....Colleen Harris (920)492-5678
Elderly/Disabled Transportation.....Rod Robillard (920)492-5711
Endangered Species.....Mike Helmrick (920)492-7738
Enhancement Projects.....Cindy O'Connor (920)492-5679
Environmental - Documents (Brown, Calumet, Door, Kewaunee, Marinette, Oconto).....Mike Helmrick (920)492-7738
Environmental - Documents (Manitowoc, Menominee, Outagamie, Shawano, Sheboygan, Winnebago).....Carrie Lutz (920)492-5740

Funding Sources.....Dan Davis (920)492-5704
Future Projects.....Joe Hollister (920)492-5693

Hazardous Waste.....Carrie Lutz (920)492-5740
Historical Buildings/Sites (Brown, Calumet, Door, Kewaunee, Marinette, Oconto).....Mike Helmrick (920)492-7738
Hwy 29 - Media Information.....Kim Rudat (920)492-5743

Junkyards.....Bob Pavlik (920)492-5646

Kewaunee County Supervisor.....Roger Rahlf (920)492-7714

Legislative Relations.....Kim Rudat (920)492-574
Local Programs.....Cindy O'Connor (920)492-567

Maintenance (County Contracts).....Joe Hollister (920)492-569
Manitowoc County Supervisor.....Steve Noel (920)492-563
Marinette County Supervisor.....Mike King (920)492-562
Media Relations.....Kim Rudat (920)492-574
Menominee County Supervisor.....Jim Lamers (920)492-566
Mowing Roadsides.....Kurt Wranovsky (920)492-564

Noise.....Carrie Lutz (920)492-574

Oconto County Supervisor.....Mike King (920)492-562
Outagamie County Supervisor.....Jim Lamers (920)492-566
Outdoor Advertising.....Edward Jaskolski (920)492-565

Pavement Marking.....Mike Frewerd (920)492-565
Permits - Banners over Roadways.....Robie Oleck (920)492-565
Permits - Billboards.....Edward Jaskolski (920)492-565
Permits - Detours.....Robie Oleck (920)492-565
Permits - Driveways.....Bob Pavlik (920)492-564
Permits - Flashing Beacons.....Robie Oleck (920)492-565
Permits - Highway Lighting.....Robie Oleck (920)492-565
Permits - Oversize/Overweight.....Robie Oleck (920)492-565
Permits - Parade.....Robie Oleck (920)492-565
Permits - Tourist-Oriented Signs.....Robie Oleck (920)492-565
Permits - Trans 200 Signs.....Robie Oleck (920)492-565
Permits - Work on Roadways.....Bob Pavlik (920)492-564
Potholes.....Al Beyer (920)492-5701
Project Planning.....Joe Hollister (920)492-569
Public Information.....Kim Rudat (920)492-574

Railroads.....Jared Kinziger (920)492-771
Real Estate - Excess Land.....Dick Happel (920)492-568
Real Estate - Relocation Services.....Ward Anderson (920)492-5691
Real Estate - Supervisor (Acquisition).....Kip Pelegrin (920)492-568
Recreation Trails.....Jenny Cavanaugh (920)492-598
Roadside Maintenance.....Joe Hollister (920)492-569
Rustic Roads.....Cindy O'Connor (920)492-567

Shawano County Supervisor.....Jim Lamers (920)492-566
Sheboygan County Supervisor.....Steve Noel (920)492-563
Sign Repairs.....Mike Frewerd (920)492-565
Signs and Signing.....Jack Watzka (920)492-351
Snow & Ice Removal.....Joe Hollister (920)492-569
Speed Zones.....Robie Oleck (920)492-565
Subdivisions.....Dave Andre (920)492-5681

Traffic Counts.....Karen Rouse (920)492-570
Traffic Signals.....Bob Schuurmans (920)492-571

Utilities.....Julie DeBauche (920)492-599

Contact Kim Rudat at (920)492-5743 for corrections to this information.

Revised 4/5/02

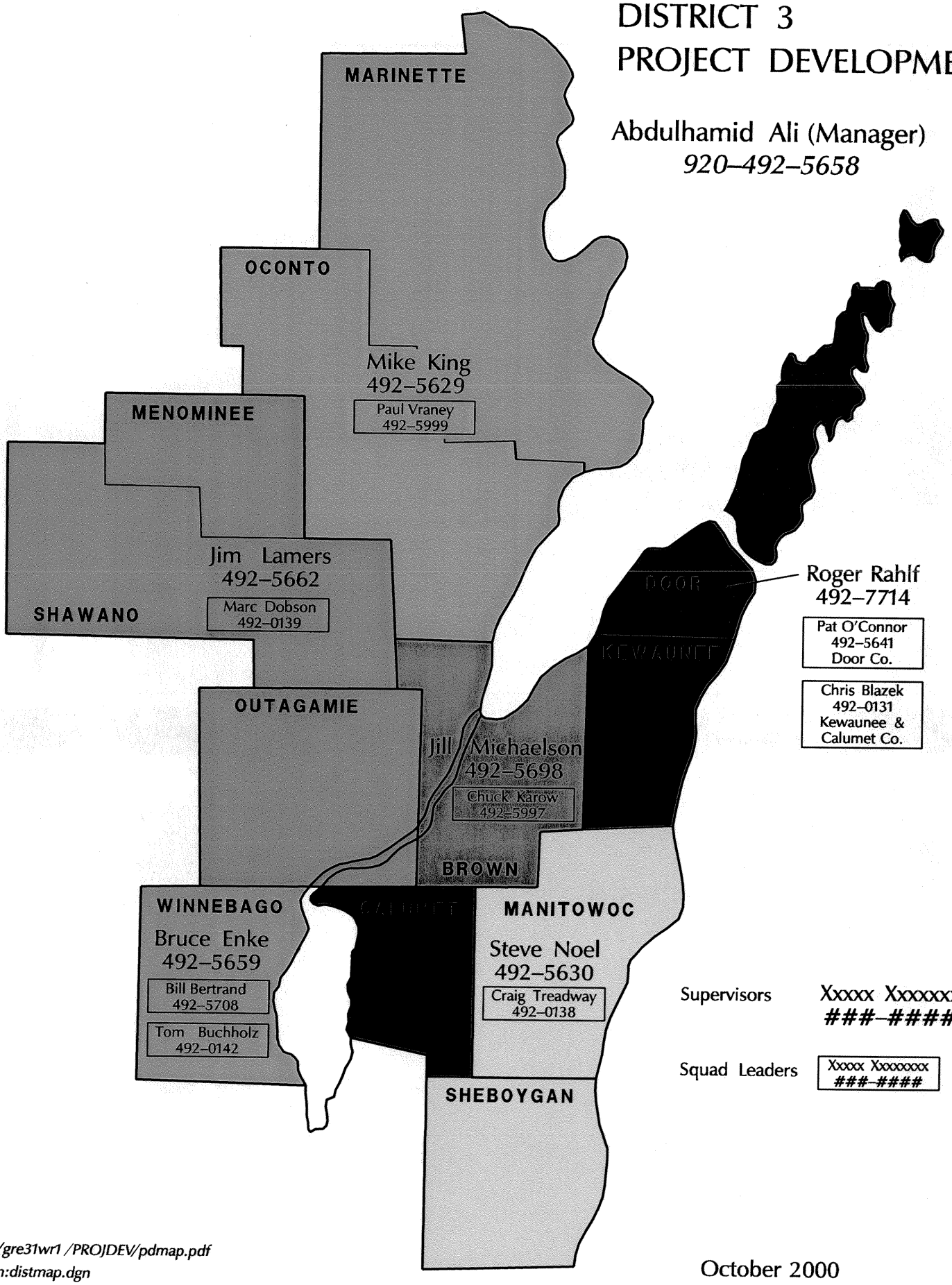
District 3 Contact List for Legislators

Division of Transportation Districts - District 3

Waysides - Design.....Steve Noel (920)492-5630
Waysides - Maintenance.....Joe Hollister (920)492-5693
Wetlands.....Mike Helmrick (920)492-7738
Winnebago County Supervisor.....Bruce Enke (920)492-5659

DISTRICT 3
PROJECT DEVELOPMENT

Abdulhamid Ali (Manager)
920–492–5658



Supervisors Xxxxx Xxxxxxx
###–####

Squad Leaders Xxxxx Xxxxxxx
###–####

http://gre31wr1/PROJDEV/pdmap.pdf
d3_don:distmap.dgn

October 2000

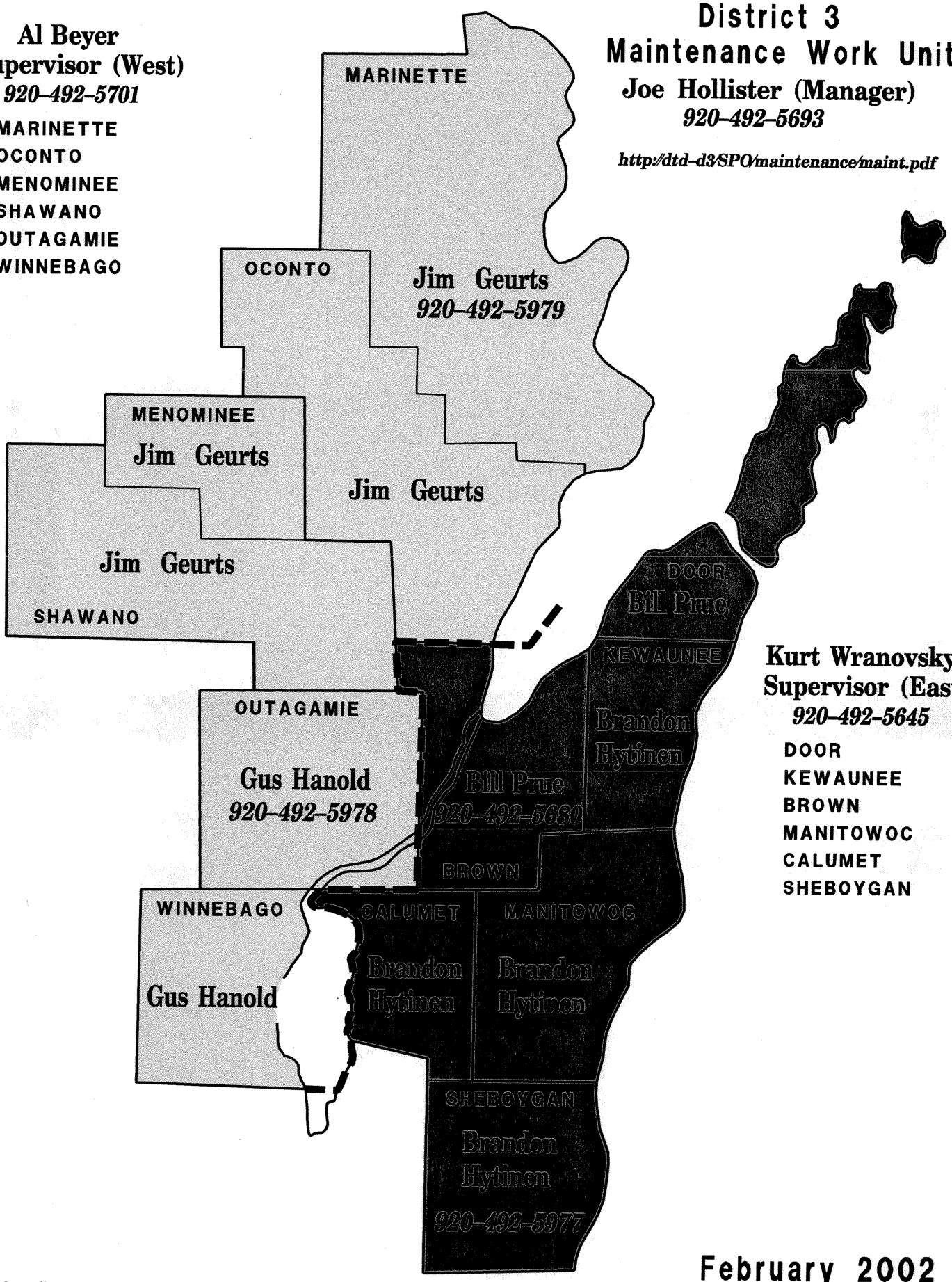
District 3
Maintenance Work Unit

Joe Hollister (Manager)
920-492-5693

http:/dtd-d3/SPO/maintenance/maint.pdf

Al Beyer
Supervisor (West)
920-492-5701

MARINETTE
OCONTO
MENOMINEE
SHAWANO
OUTAGAMIE
WINNEBAGO



Kurt Wranovsky
Supervisor (East)
920-492-5645

DOOR
KEWAUNEE
BROWN
MANITOWOC
CALUMET
SHEBOYGAN

February 2002

d3_don:distmap.dgn

2002 - 2004 Transportation Projects - Senate District 9 Map

All Projects Within the Senate District + .25 Mile Buffer

Map #	Highway	Const. Year	Project IDs \ Sched. Amt.*	Project Description
County: CALUMET				
73 .	**Highway 0**	**2002**	**1000-03-52** STH000207 $100,000	**VARIOUS HIGHWAYS, VARIOUS LOCATIONS**
Let Date: 10/09/2001				
County: MANITOWOC				
111 .	**Highway 151**	**2002**	**4100-18-60** STH000303 $100,000	**SILVER LAKE**
Let Date: 10/25/2001				
112 .	**Highway 151**	**2003**	**4100-10-71** 151360303 $750,000	**CALUMET AVE., CITY OF MANITOWOC, SOUTH 41ST STREET - 26TH STREET** ***Resurface the existing concrete pavement with a blacktop overlay.*** MAY NORMALLY [illegible] 100% STATE FUNDING LAST ITEM ON 151 IN CITY
Let Date: 02/11/2003				
113 .	**Highway 43**	**2002**	**1221-01-90** $250,000	**Milwaukee - Green Bay Rd., IH43 & STH 42 Interchange & USH 151** ***Install signals at these interchange ramps.***
Let Date: 06/11/2002				
115 .	**Highway CS**	**2002**	**4006-00-71** $200,000	**MANITOWOC 2/EXTRUTECH PLASTICS, INC, W CUSTER STREET @ S 59TH STREET**
Let Date: 11/25/2001				

*Schedule Amounts greater than $50,000 are rounded to the nearest $50,000. Values less than $50,000 are listed as '< $50,000'

2002 - 2004 Transportation Projects - Senate District 9 Map

All Projects Within the Senate District + .25 Mile Buffer

Map #	Highway	Const. Year	Project IDs \ Sched. Amt.*	Project Description
County: MANITOWOC, continued				
116 .	**Highway CS**	**2004**	**4991-00-78**	**CUSTER STREET, CITY OF MANITOWOC, ALVERNO ROAD - CTH R**
				Reconstruct to urban section.
Let Date: 03/09/2004			$1,750,000	
119 .	**Highway 0**	**2002**	**1000-03-51**	**EPOXY PAVEMENT MARKING**
			STH000207	
Let Date: 12/11/2001			< $50,000	
120 .	**Highway P**	**2002**	**4991-00-74**	**MENASHA AVENUE, CITY OF MANITOWOC, 400' W OF KNUELL ST-N 24TH ST**
				Pavement replacement.
Let Date: 05/14/2002			$1,800,000	
				80 - 20
121 .	**Local Street**	**2004**	**4304-02-71**	**SILVER CREEK ROAD BRIDGE & APPROACH, TOWN OF MANITOWOC, SILVER CREEK**
				Remove and replace existing structure.
Let Date: 01/13/2004			$150,000	
				80 - 20
122 .	**Local Street**	**2004**	**4310-02-71**	**VILLAGE DRIVE BRIDGE & APPROACHES, T. MANITOWOC RAPIDS, BRANCH RIVER**
				Removing and replacing the existing structure.
Let Date: 01/13/2004			$400,000	
124 .	**Local Street**	**2004**	**4313-01-71**	**EAST SPRING VALLEY RD BRIDGE & APP, T. MEEME, MEEME RIVER**
				Remove/replace the existing steel deck girder structure.
Let Date: 01/13/2004			$150,000	

**Schedule Amounts greater than $50,000 are rounded to the nearest $50,000. Values less than $50,000 are listed as '< $50,000'*

2002 - 2004 Transportation Projects - Senate District 9 Map

All Projects Within the Senate District + .25 Mile Buffer

Map #	Highway	Const. Year	Project IDs \ Sched. Amt.*	Project Description
County: MANITOWOC, continued				
127.	Highway XX	2004	4357-02-71 $1,150,000 **Let Date:** 03/08/2004	**I43 - DAIRYLAND DRIVE, NORTH AVENUE, CENTERVILLE/CLEVELAND** ***Reconstruction to four lane urban roadway.***
County: SHEBOYGAN				
205.	Highway 28	2002	4640-02-71 028590202 $1,200,000 **Let Date:** 05/14/2002	**CITY OF SHEBOYGAN, TAYLOR DR - 16TH STREET** ***Mill the existing bituminous pavement and overlay with new bituminous pavement. Add median and new southbound lanes at the old Conocco site.***
206.	Highway 23	2003	1440-14-71 023590303 $2,000,000 **Let Date:** 11/12/2002	**STH 32 - IH 43, STH 32 - IH 43** ***Shatter the existing pavement and resurface with an asphalt overlay.***
207.	Highway 23	2003	1440-10-71 310590406 $1,950,000 **Let Date:** 07/08/2003	**COARY LANE - STH 67, COARY LANE - CTH OJ** ***Extend the existing four lane segment of highway 23 from STH 67 west past CTH P.***
208.	Highway 23	2004	1440-10-72 310590406 $2,700,000 **Let Date:** 01/13/2004	**COARY LANE - STH 67, COARY LANE - CTH OJ** ***Extend the existing four lane segment of highway 23 from STH 67 west past CTH P. Continutation of 1440-10-71. Includes new structures at the Hullet River, Riverview Dr., Cth C.***
209.	Highway 23	2004	1440-09-71 023590303 $1,200,000 **Let Date:** 04/13/2004	**WCL - CTH P, WCL - CTH P** ***This segment of roadway will be resurfaced to preserve the life of the roadway.***

*Schedule Amounts greater than $50,000 are rounded to the nearest $50,000. Values less than $50,000 are listed as '< $50,000'

2002 - 2004 Transportation Projects - Senate District 9 Map

All Projects Within the Senate District + .25 Mile Buffer

Map #	Highway	Const. Year	Project IDs \ Sched. Amt.*	Project Description
County: SHEBOYGAN, continued				
210.	**Highway 23**	**2004**	**1440-10-73**	**COARY LANE - STH 67, COARY LANE - CTH OJ**
			310590406	***Extend the existing four lane segment of highway 23 from STH 67 west past***
			$2,150,000	***CTH P.***
	Let Date: 08/13/2004			
211.	**Highway 28**	**2002**	**4640-02-72**	**CITY OF SHEBOYGAN, WASHINGTON - 16TH STREET**
			028590202	***Install ornamental street lights, plant street trees and install sidewalk.***
			$400,000	***Enhancement project. Being done in conjunction with 4640-02-71.***
	Let Date: 05/14/2002			
212.	**Highway 28**	**2003**	**4010-11-71**	**SOUTH BUS DRIVE, CITY OF SHEBOYGAN, 16TH ST - GEORGIA AVE**
			028590303	***Reconstruct and widen south business drive to four lanes.***
			$2,700,000	
	Let Date: 04/08/2003			
213.	**Highway 28**	**2003**	**4010-11-73**	**SOUTH BUS DRIVE, CITY OF SHEBOYGAN, 16TH ST - GEORGIA AVE**
			028590303	***Add ornamental street lights and trees to highway 28 corridor,***
			$150,000	***inconjunction with 4010-11-71 & 72.***
	Let Date: 04/08/2003			
214.	**Highway 28**	**2003**	**4010-15-71**	**SO BUSINESS DR, CITY OF SHEBOYGAN, EMERGENCY FLOOD REPAIRS**
			028590303	***Use federal emergency flood damage funds to repair retaining wall damage***
			$200,000	***done in 1998 flood.***
	Let Date: 04/08/2003			
215.	**Highway 28**	**2004**	**4640-03-71**	**CTH PPP - I43, CTH PPP - I43**
			028590505	***Resurface the existing roadway with new blacktop surface.***
			$500,000	
	Let Date: 07/13/2004			PAST NEW GOLF COURSE

**Schedule Amounts greater than $50,000 are rounded to the nearest $50,000. Values less than $50,000 are listed as '< $50,000'*

2002 - 2004 Transportation Projects - Senate District 9 Map

All Projects Within the Senate District + .25 Mile Buffer

Map #	Highway	Const. Year	Project IDs \ Sched. Amt.*	Project Description
County: SHEBOYGAN, continued				
217.	**Highway 32**	**2004**	**4540-14-71**	**CEDAR GROVE - SHEBOYGAN FALLS, CTH G - STH 28**
			032590404	***Overlay the existing pavement to extend the pavement life. Includes***
	Let Date: 05/11/2004		$3,500,000	***reconstruction at the CTH W Intersection.*** Property owners know
218.	**Highway 32**	**2004**	**4540-15-71**	**CITY OF SHEBOYGAN FALLS, STH 28 - CTH C**
		~~2004~~ 2005	032590505	***Reconstruct the existing roadway, improving intersections and drainage***
	Let Date: 07/13/2004		$2,550,000	***through downtown Sheboygan Falls.***
220.	**Highway 43**	**2004**	**1222-08-60**	**MILWAUKEE - GREEN BAY, 1000' N OF SHEBOYGAN RIVER**
			043590404	***Increase the capacity of storm water facilites on the west side of I-43,***
	Let Date: 10/14/2003		$100,000	***from 1000 feet north of the Sheboygan River to the Sheboygan River.***
221.	**Highway 57**	**2002**	**4015-08-72**	**SCL - WALDO, CTH A - WALDO**
			010590304	***Work includes reconstructing the northbound roadway. This is a***
	Let Date: 11/13/2001		$3,700,000	***continuation of the reconstruction the district did last year from the south county line to CTH A.***
223.	**Highway A**	**2003**	**4211-00-71**	**CTH V - ROEHRBORN ROAD, TOWN OF WILSON**
				Reconstruct CTH A to improve safety and roadway capacity. AUP project 5 Lanes
	Let Date: 03/25/2003		$600,000	***with Sheboygan County.***
224.	**Highway A**	**2003**	**4213-05-71**	**CTH C - CTH J, TOWN OF RHINE**
				Reconstruct CTH P/A to improve the safety and provide additional
	Let Date: 06/25/2003		$750,000	***roadway capacity. AUP project with Sheboygan County.***

2002 - 2004 Transportation Projects - Senate District 9 Map

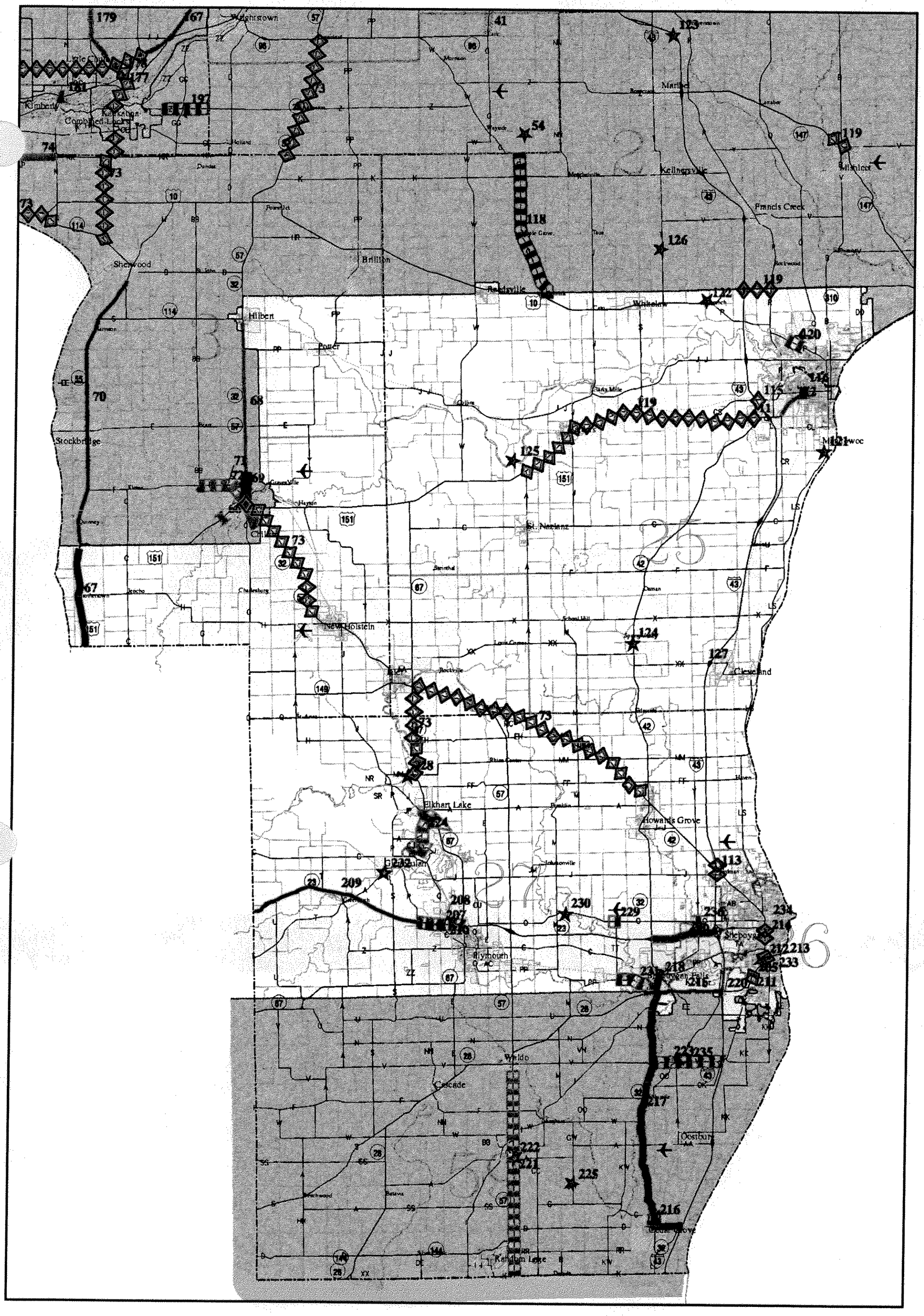
All Projects Within the Senate District + .25 Mile Buffer

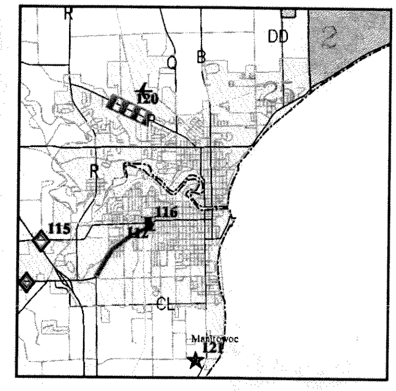
Map #	Highway	Const. Year	Project IDs \ Sched. Amt.*	Project Description
County: SHEBOYGAN, continued				
228.	Highway MM	2003	4264-00-71 $300,000	**BRIDGE & APPROACHES, TOWN OF RHINE, SHEBOYGAN RIVER** *Reconstruct the existing river crossing.*
Let Date: 03/11/2003				
229.	Highway O	2003	4269-00-71 $1,250,000	**ALPINE ROAD - MEADOWLARK ROAD, TOWN OF SHEBOYGAN FALLS** *Reconstruct CTH O to improve safety and roadway capacity. Being done as part of the airport runway improvements.* RUNWAYS
Let Date: 03/25/2003				
230.	Highway O	2004	4269-01-71 $400,000	**CTH O BRIDGE & APPROACHES, T. SHEBOYGAN FALLS, SHEBOYGAN RIVER** *Reconstruct the existing river crossing to current design standards.*
Let Date: 03/09/2004				
231.	Highway PP	2002	4277-02-71 $2,350,000	**CTH PP, CITY OF SHEBOYGAN FALLS, CTH TT - CTH PPP** *Reconstruct to an urban section roadway with storm sewer and bicycle lanes.* JIM LIKE TO SEE
Let Date: 10/09/2001				
232.	Highway S	2003	4279-00-71 $250,000	**SWIFT STREET BRIDGE & APPROACHES, VILLAGE OF GLENBEULAH, MULLET RIVER** *Reconstruct the existing river crossing.*
Let Date: 03/11/2003				
233.	Local Street	2003	4996-00-47 $750,000	**BROADWAY AVENUE, BRIDGE REMOVAL, CITY OF SHEBOYGAN** *Remove the Broadway Viaduct which is over the Union Pacific Railroad and South Business Drive (STH 28) and construction at grade crossings. Done with South Business Drive project.*
Let Date: 04/08/2003				

2002 - 2004 Transportation Projects - Senate District 9 Map

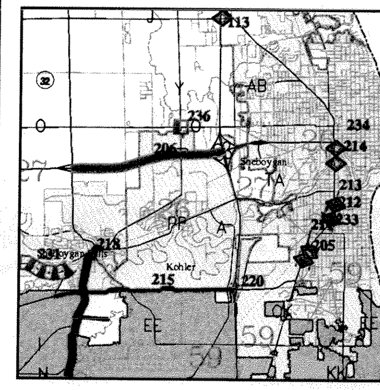
All Projects Within the Senate District + .25 Mile Buffer

Map #	Highway	Const. Year	Project IDs \ Sched. Amt.*	Project Description
County: SHEBOYGAN, continued				
234.	**Local Street**	**2004**	**4996-01-03**	**MICHIGAN AVENUE, CITY OF SHEBOYGAN, STH 42 - NORTH 8TH STREET**
				Pavement replacement in a business district.
Let Date: 03/09/2004			$1,850,000	
235.	**Highway V**	**2002**	**4896-02-71**	**STH 32 - IH 43, TOWNS OF LIMA & WILSON**
				Reconstruct CTH V to improve the safety and roadway capacity.
Let Date: 06/25/2002			$950,000	***AUP with Sheboygan County.***
236.	**Highway Y**	**2002**	**4196-02-71**	**SUPERIOR AVE, TOWN OF SHEBOYGAN, CTH Y & CTH O INTERSECTION**
				Install traffic signals and intersection improvements to facilitate
Let Date: 02/12/2002			$200,000	***movement of traffic.***

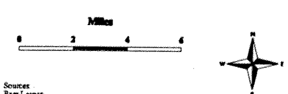




Manitowoc



Sheboygan, Sheboygan Falls



Sources:
Base Layers:
County Boundaries: WisDOT Geographic Base, 1:100,000, 1/1/89
STH Network: WisDOT Geographic Base, 1:100,000, 1/1/96
CVT borders: US Census Precensus TIGER Line Files, 1/1/88
Railroads: WisDOT Geographic Base, 1:100,000, 1/1/83
District Hydrography: WisDOT Geographic Base, 1:100,000, 1/1/83
County/Local Roads: WisDOT Geographic Base, 1:100,000

Project Information: The project data for this map comes from the FOS (Financial Operating System). The concepts and locations are from SDS (Spatial Data System). The years that the project appears in are based on Calendar year using the FOS let date and October 1 as the beginning of the next year.

March 25, 2002

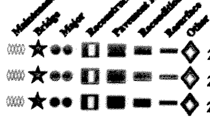
Wisconsin Department of Transportation Geographic Information System

SENATE DISTRICT 9

Transportation Projects

2002 –2004

LEGEND

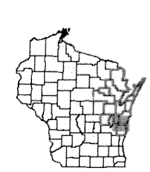


Project Years are Based on Construction Year

LEGISLATIVE BOUNDARIES:

Senate District Boundaries

Assembly District Boundaries
(Assembly Districts numbered in red)



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Fact Sheet
on the
Environmental Cooperative Agreement
between
We Energies
and
Wisconsin Department of Natural Resources

On September 30, 2002, following a Public Comment Period and formal Public Hearing, the Wisconsin Department of Natural Resources (DNR) and Wisconsin Electric Power Company (WEPCO), doing business as We Energies, signed an Environmental Cooperative Agreement (Agreement). The Agreement covers eight fossil fuel power plants in Wisconsin. This Agreement was developed under Wisconsin's Environmental Cooperation Pilot Program pursuant to Section 299.80, Wis. Statutes.

A. Background

WEPCO produces, delivers, and sells electric energy in southeastern, east central, and northern portions of Wisconsin and the Upper Peninsula of Michigan. WEPCO owns and operates five coal-burning power plants and three natural gas-burning power plants in Wisconsin that are covered by this agreement.

WEPCO was the first company to enroll in the Environmental Cooperation Pilot Program when it signed an agreement with DNR in February 2001 covering the Pleasant Prairie Power Plant. WEPCO has been frequently recognized for its environmental leadership, including winning the 2002 Governor's Award for Excellence in Environmental Performance.

B. WEPCO Commits to Continuing Environmental Improvement

With this agreement, WEPCO is volunteering to reduce air emissions from its five coal-burning power plants in Wisconsin. In doing so, WEPCO becomes the first company in Wisconsin to voluntarily commit to an enforceable, multi-pollutant, air quality strategy that goes beyond current regulatory requirements.

WEPCO's air quality strategy begins with new, system-wide emission limits for sulfur dioxide (SO_2) and nitrogen oxides (NOx) that all of its Wisconsin coal-burning power plants, averaged together, must meet. WEPCO will achieve a system-wide SO_2 limit of 0.45 lbs/mmBTU within ten years of the date of this agreement, with an interim limit of 0.70 lbs/mmBTU to be achieved within five years. WEPCO will also achieve a system-wide NOx limit of 0.15 lbs/mmBTU within ten years of the date of this agreement and an interim NOx limitation of 0.25 lbs/mmBTU within five years. WEPCO's 2000 system-wide emission rates were within regulatory limits, at approximately 0.87 lbs/mmBTU for SO_2 and 0.38 lbs/mmBTU for NOx.

The air quality strategy also requires WEPCO to reduce mercury emissions from its Wisconsin coal-burning power plants from 1998-2000 levels by 10% within five years of this agreement and by 50% within ten years. Furthermore, the strategy documents WEPCO's intent to take several types of actions to address greenhouse gas emissions.

C. Flexibility to be Granted by DNR

The agreement does not grant any variances to existing environmental standards, emission limits, or pollution control requirements, and all pollution limits currently applicable to WEPCO remain at least as stringent as they would otherwise be, as well as verifiable and enforceable. The agreement does, however, provide more flexibility to WEPCO by reducing certain administrative requirements for permitting, monitoring and reporting. DNR negotiated terms to ensure that this flexibility still provides adequate levels of regulatory oversight. The result is that these alternative procedures will save WEPCO and DNR both time and money, without jeopardizing environmental quality. This agreement does not exempt WEPCO from any future environmental requirements.

DNR and WEPCO carefully considered a range of significant factual, legal, methodological and policy questions in order to create an agreement that promises real environmental and economic improvements. The most challenging of these questions regarded WEPCO's desire to establish this agreement as an alternative compliance plan for a mercury reduction rule that had been drafted by DNR. Because DNR was still evaluating comments on the draft rule and the rule had not yet been promulgated at the time this agreement was signed, DNR could not guarantee that the agreement would satisfy the requirements of the rule. Instead, the agreement allows WEPCO the flexibility to terminate the agreement if their multi-pollutant reduction strategy is not adequate for compliance with DNR's final mercury rule.

D. Benefits of Agreement

The agreement negotiated by DNR and WEPCO is consistent with the goals and requirements of the Environmental Cooperation Pilot Program. Over the course of a decade, the agreement will lead to more than a 50% reduction in mercury, sulfur dioxide, and nitrogen oxide emissions from existing coal-fired power plants owned by WEPCO. The agreement also gives WEPCO more flexibility to plan and manage the costs of emission reductions, and could ultimately serve as a model for other multi-pollutant approaches to air quality improvements. Furthermore, WEPCO will implement environmental management systems at all eight power plants, which could lead to even greater environmental benefits. WEPCO will evaluate and quantify the actual benefits from this agreement annually in a publicly available report.

E. Community Involvement and Building Trust

As part of this agreement, WEPCO will increase the opportunities for interested persons in the community to learn about the company's environmental plans and achievements. A group of stakeholders, consisting of persons interested in the system-wide aspects of the agreement as well as persons interested in local issues specific to individual power plants, will be involved in twice-yearly reviews of the company's environmental management systems and progress reports. The public in general will have more access to information about WEPCO than ever before -- through tours, meetings, presentations, and publication of information on the Internet. All of these efforts, collectively, should lead to increased trust between WEPCO, DNR, and the public.

For more information or a copy of the agreement between DNR and WEPCO:
Go to the Bureau of Cooperative Environmental Assistance website at: http://www.dnr.state.wi.us/org/caer/cea/ecpp or contact John Shenot at (608)267-0802, or send email to John.Shenot@dnr.state.wi.us.

From: Margaret Stanfield
Sept. 30, 2002

We Energies, DNR sign agreement to reduce power plant emissions; EPA names We Energies "Climate Leader"

Environmental achievements recognized in ceremonies in Milwaukee, Chicago

MILWAUKEE -

Multi-Emission Cooperative Agreement

We Energies will voluntarily reduce emissions at its power plants over the next 10 years as part of a ground-breaking agreement with the Wisconsin Department of Natural Resources (DNR). The Multi-Emission Cooperative Agreement (MECA) calls for We Energies to invest $400 million-$600 million in environmental improvements to reduce sulfur dioxide, nitrogen oxide and mercury from its power plants by 45-50, 60-65 and 50 percent respectively. The agreement will be signed this afternoon at the Oak Creek Power Plant.

"This agreement means cleaner air for our state," said Kristine Krause, Wisconsin Energy Corp. vice president - environmental. "It is possible to produce reliable supplies of electricity and improve the environment. This investment in our existing plants will reduce our emissions and help meet both today's and tomorrow's clean air standards."

"With this agreement, We Energies is pledging major investments in air quality that will generate significant environmental benefits," said Darrell Bazzell, Department of Natural Resources Secretary. "It's not every day that a company volunteers to cut its air emissions in half. It's a terrific step in the right direction. I'm thrilled to see this company step forward voluntarily and demonstrate real leadership to help us address the significant problems we face."

Environmental Protection Agency "Climate Leader"

At the same time MECA is being signed in Oak Creek, the Environmental Protection Agency (EPA) will be naming We Energies a "Climate Leader" in a ceremony in Chicago for the company's commitment to reduce greenhouse gas emissions.

We Energies continues to be at the forefront of the global climate change issue. As a participant in the U.S. Department of Energy's Climate Challenge, We Energies has recorded in excess of 27 million tons of greenhouse gas reductions since 1995.

"It's an honor to join the Climate Leader initiative and it reinforces the environmental improvements we are making at We Energies," said Krause. "Our partnership with the

-more-

EPA Climate Leaders and the Wisconsin Department of Natural Resources will only strengthen our commitment to addressing the issues of greenhouse gas and other air emissions."

We Energies' air emission reductions complement Wisconsin Energy's *Power the Future* plan. The $7 billion proposal includes $1.3 billion for upgrading existing power plants. MECA and the *Power the Future* plan address several environmental challenges the company faces such as mercury deposition, ozone non-attainment, acid rain, fine particles, and climate change.

"We are committed to improving the environmental performance of our power plants," said Krause "We live and work in Wisconsin and we want a clean environment for ourselves and for our customers. The Multi-Emission Cooperative Agreement provides a means to achieve environmental benefits for the state in a cost-effective manner."

In exchange for the voluntary emission reductions, the DNR will provide some regulatory flexibility including permit streamlining, reduced administrative requirements, and alternative monitoring and enhanced corrective action procedures. MECA is similar to the successful cooperative agreement that has been in place at We Energies' Pleasant Prairie Power Plant for the past two years.

Emission reductions at We Energies' power plants may be achieved by adding emission control equipment, making changes in fuel choices, and re-powering existing power plants.

We Energies, the principal utility subsidiary of Wisconsin Energy Corp. (NYSE: WEC), serves more than one million electric customers and more than 970,000 natural gas customers throughout Wisconsin and Michigan's Upper Peninsula. Visit the company's Web site at www.we-energies.com. Learn about Wisconsin Energy Corp. by visiting www.WisconsinEnergy.com

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NEWS RELEASE

Wisconsin Department of Natural Resources
101 S Webster, P.O. Box 7921, Madison, WI 53707
Phone: (608) 266-6790 TDD: (608) 267-6897
www.dnr.state.wi.us www.wisconsin.gov

DATE: September 30, 2002

CONTACT: John Shenot, (608) 267-0802

SUBJECT: We Energies and DNR sign multi-emission cooperative agreement

Madison, Wis. – A new environmental agreement the Department of Natural Resources and We Energies signed today will yield voluntary reductions in multiple emissions over the next 10 years. In the agreement, We Energies will invest $400 to $600 million in environmental improvements at its power plants and cut emissions of mercury by 50 percent, sulfur dioxide by 45 to 50 percent and nitrogen oxide by 60 to 65 percent over the next decade.

"This agreement represents another significant step in improving air quality in Wisconsin," said DNR Secretary Darrell Bazzell. "This is a groundbreaking move because, with this agreement, We Energies becomes the first company in Wisconsin to voluntarily commit to an enforceable, multi-pollutant air quality strategy that goes beyond current regulatory requirements."

The cooperative agreement with We Energies also offers a significant new tool to improve air quality in southeastern Wisconsin through voluntary emission reductions, Bazzell noted.

We Energies owns and operates five coal burning and three natural gas-burning power plants in Wisconsin covered by the agreement. The company was also the first to enroll in a pilot program for these cooperative agreements when it signed an agreement with DNR in February 2001 covering the Pleasant Prairie Power Plant in Kenosha County.

The agreement does not grant We Energies any variances to existing environmental standards, emissions limits or pollution control requirements. The agreement does, however, provide more flexibility to the company by reducing certain administrative requirements for permitting, monitoring and reporting. As a result, these alternative processes will save both DNR and We Energies time and money while enhancing environmental quality.

Another feature of the agreement is that We Energies will expand its efforts to involve the public by including stakeholders twice yearly reviews of the company's environmental management systems and progress reports. Additionally, the company will provide more public access to information about

We Energies than has previously been available through tours, meetings, presentations and publication of information on the Internet.

The pilot agreement covering the Pleasant Prairie plant has demonstrated over the past two years that this type of cooperative arrangement can be successful and benefit both parties.

This agreement was developed as part of the Environmental Cooperation Pilot Program, which was established by the Wisconsin Legislature in 1997. The pilot program is designed to allow some regulatory flexibility for environmental projects that achieve superior performance at a reduced cost. The program authorizes DNR to enter into agreements with up to 10 businesses statewide.

In addition to We Energies, four other companies have signed agreements to participate in the pilot program. Those companies are Madison Gas & Electric of Madison, Cook Composites and Polymers Co. of Saukville, Northern Engraving Corp. of Sparta and Holmen, and Packaging Corporation of America of Tomahawk.

For more information about the Environmental Cooperation Pilot Program, visit the DNR web site at www.dnr.state.wi.us, select "Cooperative Environmental Assistance" from the bureau dropdown menu at the bottom of the page, and click on "Environmental Cooperation Pilot Program." A factsheet on the agreement with We Energies can also be found at this Web page.

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Wisconsin's
Environmental Decade

122 State Street, Suite 200, Madison, Wisconsin 53703-2500
tel: 608.251.7020 fax: 608.251.1655 www.environmentaldecade.org

Your Environmental Watchdog since 1970

September 30, 2002
Contact: Marc Looze, WED
608.251.7020 (c) 608.347.1714

WE Energies announcements "a distraction" from coal issue

Wisconsin's Environmental Decade, an organization dedicated to protecting the environment and preserving the quality of life in Wisconsin, today questioned an agreement between WE Energies and the state Department of Natural Resources (DNR), saying it "fails to provide any relief from pollution for the families living near the Oak Creek coal plant." WED officials said the agreement is a distraction from the real issue, that WE Energies wants to more than double the size of the Oak Creek coal-burning power plant without cleaning up the old plant.

"It's ironic to sign this agreement at Oak Creek today, because WE Energies wants to expand Oak Creek to become one of the 10 largest coal plants in the nation but won't commit to cleaning up this dirty plant," said Marc Looze, Air Pollution Campaign Director of Wisconsin's Environmental Decade. We think WE Energies is trying to distract the public's attention away from all the pollution from their proposed new coal plants."

None of WE Energies' coal plants meet modern pollution control standards. Electric companies, like WE Energies, fought hard to exempt their coal-fired power plants from pollution reductions in the 1977 Clean Air Act, and won. Twenty-five years later, WE Energies is "volunteering" to make pollution cuts.

"We've been waiting 25 years for WE Energies to reduce harmful pollution from their coal plants and this voluntary effort falls short, said Looze. "It's unacceptable for WE Energies to have fought coal plant pollution clean-up for 25 years, only to volunteer to make cuts that don't go far enough in cleaning Southeastern Wisconsin's dirty air and protecting public health."

WE Energies also announced today that it would be a part of the Environmental Protection Agency's "Climate Leaders" programs. As part of the program, WE Energies will commit to reducing the rate of greenhouse gas emissions, mainly carbon dioxide (CO2). However, there is no inclusion of CO2 or other greenhouse gases in the agreement signed by WE Energies and DNR today.

Looze stated "We think it's illogical for WE Energies to be named a 'climate leader' when their proposal to build more coal plants will only increase the amount of climate change gases. WE Energies wants to 'lead' in changing the climate by building more coal plants."

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Wisconsin's
Environmental Decade

122 State Street, Suite 200, Madison, Wisconsin 53703-2500
tel: 608.251.7020 fax: 608.251.1655 www.environmentaldecade.org

working for Wisconsin's environment **since** *1970*

September 23, 2002
For Immediate Release

For More Information Contact:
Marc Looze, Wisconsin's Environmental Decade—608-347-1714
Caryl Terrell, Sierra Club-John Muir Chapter -608-*256-0565*

WE Energies proposal labeled "environmental extortion"

Milwaukee, WI-Environmental groups blasted a new air emissions deal proposed by WE Energies, calling it environmental extortion that would cause increased pollution for decades.

"The modest pollution cuts proposed by WE Energies become null and void if state regulators do not approve WE Energies' 'Pollute the Future' proposal to build new coal plants," according to Caryl Terrell, Chapter Director of Sierra Club-John Muir Chapter. "The Cooperative Agreement with the DNR is environmental extortion."

The comments were made at a public hearing today in Milwaukee on a proposal that would give the utility regulatory flexibility in exchange for modest pollution cuts. But the Cooperative Agreement allows the utility to end the deal if its "Power *the* Future proposal is not approved." Power the Future includes the expansion of the Oak Creek coal burning power plant, making it one of the ten largest coal-fired plant in the nation.

"A utility insisting that it will only cut pollution from old plants if it can build even more dirty coal plants is a classic case of robbing Peter to pay Paul," said the Rev. Dave Steffenson, Coordinator of the Wisconsin Interfaith Climate Change Campaign of Wisconsin Interfaith IMPACT. "This addiction to coal, which means more smog, toxic air pollution and global warming, is sinful. We need to keep in mind coal plant emissions are killing and sickening people now and that's a profound moral issue!" added Steffenson.

What is unique about the Cooperative Agreement is that it is system wide; the company reduces pollution where it wants. So while WE Energies' "Power the Future" proposal will turn the Oak Creek power plant from an average coal plant into one of the largest in the nation, nothing in the Cooperative Agreement will reduce pollution at the Oak Creek coal plant.

"We think putting that much air pollution in a single urban setting is dangerous, especially when cleaner alternatives are available" said Marc Looze, Air Pollution Campaign Director of the Environmental Decade. "Not only will the cooperative agreement let WE Energies off the hook for cleaning up Oak Creek, it will pressure regulators to approve more dirty coal plants for greater Milwaukee. We Energies wants us to trade modest pollution cuts for decades of toxic air pollution."

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AIR DAILY – October 1, 2002

We Energies, Wisconsin Pen Landmark Emissions Deal

We Energies and **Wisconsin** state officials September 30 announced a major new deal to dramatically reduce NO_x, SO_2 and mercury emissions from the utility's facilities over 10 years similar to emissions reductions contemplated under **EPA**'s Clear Skies proposal.

An industry source says the plan represents the first time a major utility has voluntarily taken on emissions reductions similar to those being considered in federal legislation.

The announcement comes as We Energies becomes the first utility to join President Bush's so-called Climate Leaders global warming initiative since the program was announced last spring (*see related story*).

We Energies Vice President Kristine Krause said in a prepared statement that the agreement shows "it is possible to produce reliable supplies of electricity and improve the environment. This investment in our existing plants will reduce our emissions and help meet both today's and tomorrow's clean air standards."

Under the plan, which was approved by EPA, We Energies will spend approximately $400 to $600 million on environmental improvements to its facilities, including constructing new natural gas plants and replacing a number of old coal-fired plants with newer, cleaner coal technology.

The company will also construct at least one integrated gasification combined cycle (IGCC) facility. IGCC facilities, which many in the industry expect to be the future of clean coal technology, essentially transform coal into gas.

All told, We Energies will reduce NO_x emissions by 60 to 65 pct, mercury by 50 pct and SO_2 emissions by 50 to 55 pct.

Wisconsin Department of Natural Resources Secretary Darrell Bazzell hailed the agreement as a boon for air quality in the state. "This is a ground breaking move because . . . We Energies becomes the first company in Wisconsin to voluntarily commit to an enforceable, multi-pollutant air quality strategy."

The company and state officials had hoped to also secure an agreement from EPA to provide We Energies with exemptions from key Clean Air Act new source review (NSR) requirements.

But a source close to the issue said EPA officials refused because federal law does not currently provide the agency with enough flexibility to make the type of exemptions needed.

Under NSR, companies are required to install expensive new pollution control technologies if facility modifications will result in a new source of emission.

But according to We Energies, the company will receive some modest regulatory relief from the state, including reduced oversight and permitting requirements, alternative emissions monitoring plans and "enhanced" corrective action procedures.

We Energies' commitments are part of a broader $7 billion initiative undertaken by the company called *Power the Future*.

The plan includes modifications to plants and fuel use to address mercury deposition, ozone non-attainment, acid rain, fine particulate matter and climate change, according to the company.

***AIR Daily* Emission Allowance Prices**

	Price	Bid	Offer	Change
SO_2 Daily Price	139.00	136.00	139.00	0.00
NO_x Daily Price	630.00	620.00	650.00	0.00

BUSINESS JOURNAL – September 30, 2002

Utility to invest up to $600 million to cut emissions

Milwaukee utility We Energies will invest $400 million to $600 million to voluntarily reduce emissions at its power plants over the next 10 years as part of an agreement with the Wisconsin Department of Natural Resources that is being touted as a groundbreaking initiative, the company said Monday.

The Multi-Emission Cooperative Agreement calls for We Energies, the principal utility subsidiary of Wisconsin Energy Corp., Milwaukee, to invest in environmental improvements to reduce sulfur dioxide, nitrogen oxide and mercury from its five coal-burning power plants and its three natural-gas-burning power plants in Wisconsin.

Under the agreement, We Energies plans to reduce sulfur dioxide by 45 to 50 percent; cut nitrogen oxide by 60 to 65 percent; and reduce mercury emissions by 50 percent.

"This is a groundbreaking move," said DNR secretary Darrell Bazzell, "because with this agreement, We Energies becomes the first company in Wisconsin to voluntarily commit to an enforceable, multi-pollutant air quality strategy that goes beyond current regulatory requirements."

The agreement was developed as part of the Environmental

Cooperation Pilot Program, established in 1997. The pilot program was designed to increase regulatory flexibility for companies with projects with environmental performance that exceeds environmental regulations. The program authorizes the DNR to enter into agreements with up to 10 businesses statewide.

continued

We Energies' electric utility was the first to sign a cooperative agreement under the pilot program in February 2001. The utility, then called Wisconsin Electric Power Co., stipulated that Wisconsin Electric reclaim fly ash and bottom ash from company landfills to be burned at the company's Pleasant Prairie power plant to create electricity.

Other companies to sign agreements are Cook Composites & Polymers Co., Saukville; Northern Engraving Corp., Sparta and Holmen; Packaging Corp. of America, Tomahawk, and Madison Gas & Electric Co.

The agreement will give We Energies more flexibility by reducing certain administrative requirements for permitting, monitoring and reporting. The agreement does not grant the utility any variances to existing environmental standards, emissions limits or pollution control requirements, the DNR said.

"This investment in our existing plants will reduce our emissions and help meet both today's and tomorrow's clean air standards," said Kristine Krause, Wisconsin Energy Corp. vice president – environmental.

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Wisconsin Energy plans to cut air pollution

Power plant work could cost as much as $600M, firm says

By LEE HAWKINS JR.
lhawkins@journalsentinel.com

Last Updated: Sept. 30, 2002

Wisconsin Energy Corp. said it would spend $400 million to $600 million to reduce pollution emissions at its power plants by as much as 65% over the next decade.

The Milwaukee parent of We Energies signed an agreement Monday with the state Department of Natural Resources to reduce emissions of sulfur dioxide by as much as 50%, nitrogen oxide by as much as 65% and mercury by as much as 50%.

As part of the agreement, the utility will install emissions control equipment and convert some of its power plants from coal-fueled to natural gas. In exchange, Wisconsin Energy hopes to gain more flexibility and streamline the process the DNR uses to regulate emissions.

"This is a cooperative agreement that gives them some flexibility in the permitting process," said Greg Swanson, spokesman for the Department of Natural Resources. We Energies also will give the public greater access to information about environmental improvements, the department said.

The $400 million to $600 million is part of Wisconsin Energy's $7 billion commitment to its 10-year power plant construction plan, called Power the Future.

The agreement comes as Wisconsin Energy attempts to convince state utility regulators, including the Public Service Commission and the DNR, to allow it to implement the building plan. Because all the pollutants covered are byproducts of burning coal, the agreement could strengthen the company's case for Power the Future.

But Wisconsin Energy may have more work to do to ease the concerns of environmental groups, including Wisconsin's Environmental Decade and the Sierra Club. Those groups want to see more details of the emission agreement. They also view the agreement as an attempt by Wisconsin Energy to take the focus off the fact that it is building more coal plants, which will add more harmful emissions to Wisconsin.

"When you do emissions reductions systemwide, there is no guarantee that you are going to have emissions reductions at any one given plant," said Marc Looze, a spokesman for Environmental Decade in Madison. "Since they are planning to double the size of their plant in Oak Creek, there needs to be some guarantee that pollution from the existing plant will decrease. They have to do cleanup at their existing coal facility."

The Sierra Club in Madison agreed.

"They fail to address the most pressing issues, including reducing carbon, eliminating mercury and scheduling closure at their oldest, most polluting coal-fired power plants," said Caryl Terrell, Sierra Club legislative director.

Under Power the Future, Wisconsin Energy would spend $3 billion to build two 500-megawatt natural gas-fired plants in Port Washington and three 600-megawatt coal-fired plants at an existing power plant site in Oak Creek. The PSC is expected to rule on the Port Washington plants by the end of the year, and then move to coal plants in the following months.

Wisconsin Energy also would invest $1.3 billion in existing plants and $2.7 billion in new infrastructure. The $400 million to

$600 million for emissions reduction would come out of the $1.3 billion commitment.

Appeared in the Milwaukee Journal Sentinel on Oct. 1, 2002.

Win-win energy agreement

From the Journal Sentinel

Last Updated: Oct. 10, 2002

The recent announcement that Wisconsin Energy Corp. will spend $400 million to $600 million to reduce pollution emissions at its power plants by as much as 65% over the next decade is at the very least a step in the right direction. The reductions will mean cleaner air for Wisconsin residents at the same time that the parent company of WE Energies is adding to its capacity to meet the state's demand for electricity.

That's what most people would call a good thing, and something for which Wisconsin Energy and state officials deserve credit.

Under an agreement signed with the state Department of Natural Resources, WE Energies will reduce emissions of sulfur dioxide and mercury by as much as 50% and nitrogen oxide by as much as 65%. The utility will install emissions control equipment and convert some of its power plants from coal-fueled to natural gas.

In exchange, the DNR will provide some regulatory flexibility, including a streamlining of the processes the DNR uses to regulate emissions and to issue permits for plants. Such flexibility can sometimes carry a price tag of more polluted air. This time, the opposite seems to be the case, and when that happens, flexibility can be a very good thing indeed.

The agreement is tied to the utility's Power the Future proposal, under which the company would spend $7 billion to build five plants and upgrade existing ones over the next 10 years.

There are some who argue that the agreement doesn't go far enough and that a systemwide reduction in emissions leaves open the question of how much emissions will be cleaned up at any one plant. Those are legitimate concerns, but officials at WE Energies are adamant that the systemwide reduction eventually will mean improvements at all plants. And even if some of those individual plant improvements are only minor, an overall statewide emissions reduction of 50% or more is nothing to sneeze at.

If additional improvements can be made at a price that is affordable to Wisconsin energy consumers, by all means they should be made. But right now, the Wisconsin Energy-DNR deal seems like a winning proposition for all concerned.

Appeared in the Milwaukee Journal Sentinel on Oct. 11, 2002.

KENOSHA NEWS – Tuesday, Oct. 1, 2002

Utility to reduce pollution levels

KENOSHA NEWS STAFF

We Energies signed agreements Monday with both the Wisconsin Department of Natural Resources and the U.S. Environmental Protection Agency pledging to reduce emissions of pollutants.

An environmental group criticized the agreements, saying they do not go far enough to address emissions contributing to global warming and mercury pollution.

"I kind of look at this as the utility version of light cigarettes — it's a step in the right direction, yes, but is it a big enough step?" said Eric Uram, Midwest regional representative for the Sierra Club.

We Energies signed a voluntary agreement with the DNR Monday promising to invest $400 million to $600 million to reduce sulfur dioxide, nitrogen oxide and mercury emissions from its power plants by 45 to 65 percent over the next 10 years.

Sulfur dioxide is a cause of acid rain, nitrogen oxide is the precursor of smog, and mercury is a heavy metal that has been poisoning Wisconsin's lakes. The utility has pledged to reduce emissions of those pollutants by 45 to 50 percent, 60 to 65 percent and 50 percent respectively.

DNR Secretary Darrell Bazzell said the utility is the first company in the state to commit "to an enforceable, multi-pollutant air quality strategy that goes beyond current regulatory requirements."

Much of the program, which has been in negotiations with the DNR for two years, is based on an experimental emissions reduction program at the Pleasant Prairie plant.

"We did a pilot version of this program at the Pleasant Prairie plant and had a lot of success with that," said We Energies spokeswoman Margaret Stanfield.

While representatives of the utility were signing the agreement with the DNR at the Oak Creek Power Plant, other We Energy executives were in Chicago with EPA Administrator Christine Whitman signing on to the federal "Climate Leader" program.

Climate Leaders is a voluntary program that allows business and industry to receive credit for efforts to reduce greenhouse gas emissions. Greenhouse gases produced by the burning of fossil fuels are believed to cause climate change and global warming.

By joining Climate Leaders, We Energies will get credit for greenhouse gas emissions the company has been able to reduce through another program since 1995.

But the deal signed Monday does not include specific goals for further reductions, which utility officials say they are still negotiating with the EPA.

Uram criticized the agreement as "toothless." But he also said We Energies' environmental efforts are ahead of those of other utilities in the state and the nation.

We Energies is the first of the 14 utilities operating in Wisconsin to move forward with a voluntary emissions reduction program through the DNR, and the second Wisconsin-based company to sign on to Climate Leaders.

"It's very exciting today to have these cooperative agreements come to fruition giving us a framework for reducing all

continued

four emissions," said Kristine Krause, We Energies vice president-environment.

Ironically, the first Wisconsin company to sign on to the federal program was Racine-based SC Johnson, which is battling We Energies over their Power the Future plan.

The $7 billion Power the Future plan to add new power generating capacity and replace aging plants is closely tied in with the programs announced Monday.

But SC Johnson, led by company Chairman Emeritus Sam Johnson, has been lobbying against the plan because it includes construction of a huge coal-fired power plant near the border of Racine. Johnson argues that any new electric plants should be cleaner burning gas-fired plants, which have lower emissions of greenhouse gases and virtually no mercury emissions.

We Energies argues that concentrating solely on building new gas-fired plants would likely increase energy costs for customers, saying the cost of natural gas is more volatile than coal.

While the company said it will move forward with its environmental goals whether or not Power the Future eventually wins state and federal approval, the $400 million to $600 million investment pledged by the company to the DNR is included in the $1.3 billion Power the Future has earmarked for upgrading existing plants.

We Energies currently operates three natural gas-burning and five coal-burning power plants, including the one in Pleasant Prairie. The company provides power to most of southeast Wisconsin.

Multi-Emission Cooperative Agreement

- We Energies submitted a multi-emission proposal jointly with WDNR to USEPA in June 2000 under the federal Project XL innovation program. USEPA never acted on the proposal. An updated multi-emission proposal was resubmitted to WDNR under Wisconsin's Cooperative Environmental Agreement Pilot Program on November 14, 2001 and amended on May 30, 2002.

- PSCW staff were briefed on the proposal on July 15, 2002. The draft final agreement was published for public comment on August 22, 2002 and a public hearing was held in Milwaukee on September 23, 2002. If an agreement is to be reached it must be signed by October 1, 2002 as the Cooperative Agreement Pilot Program sunsets on that date.

- We Energies and other electric utilities that operate coal burning power plants must comply with a variety of environmental requirements, particularly those related to air quality. For the next few decades, the electric utility industry faces new regulatory, legislative, and judicial requirements related to, for example, 1) ozone attainment, 2) fine particles, 3) regional haze, 4) acid rain, 5) mercury, 6) New Source Review, and 7) greenhouse gases.

- These requirements will result in continuing pressure to continually reduce emissions of sulfur dioxide (SO2), nitrogen oxides (NOx), mercury, greenhouse gases, and other emissions to ever lower levels. We Energies has been interested for some time now in developing multi-emission approaches to more comprehensively address the myriad of air quality issues we face now and in the future.

- A multi-emission approach results in more cost-effective solutions to environmental issues that will not go away. An integrated approach allows We Energies to 1) increase planning certainty for a fixed timeframe, 2) anticipate future emission targets, 3) optimize emission controls for multiple reduction objectives (e.g., SO2, NOx, mercury), 4) invest money and resources in air quality improvement, and 5) more efficiently manage environmental costs.

- This agreement will provide We Energies additional flexibility in operating our power plants under environmental requirements, similar to the Pleasant Prairie Cooperative Agreement. We are also proposing the agreement as a compliance alternative under the WI mercury rule.

- Estimated capital costs to implement the agreement are $400-600 million and estimated operation & maintenance costs are $30-50 million/year.

	Phase 1 (5 Years)		Phase 2 (10 Years)	
	Rate (lb/mmBtu)	Reduction (%)	Rate (lb/mmBtu)	Reduction (%)
SO2	0.70	15-20	0.45	45-50
NOx	0.25	30-35	0.15	60-65
Hg	----	10	----	50

Clean Coal Power Initiatve

- In August, We Energies submitted a joint application with EPRI and three other R&D partners as part of President Bush's Clean Coal Power Initiative (CCPI). This program is part of the Administration's pledge to invest $2 billion in federal funding over the next 10 years in meeting national electricity needs while accomplishing environmental improvements.

- U.S. Department of Energy is administering the program. The Agency announced solicitation of the first round of CCPI proposals in March of this year, and accepted proposals up until August. Project selections will be announced by January 2003.

- We Energies' proposal is to demonstrate a patented EPRI process (TOXECON) for reducing mercury, particulate matter, SO2, and NOx emissions, while at the same time allowing for beneficial re-use of coal combustion by-products. The specific objectives of the project are:
  - Achieve at least 90% mercury removal;
  - Increase collection efficiency of PM, especially during upset conditions;
  - Determine viability of sodium injection for up to 70% SO_2 control;
  - Determine capability of sodium injection for trim control of NOx;
  - Recover at least 90% of mercury captured in the ash;
  - Minimize waste disposal with a target of 100% utilization;
  - Progress mercury CEMs into a reliable mercury measuring system; and
  - Successfully integrate the entire system so that all subsystems are operating at peak performance.

- Project installation is proposed for three 90 MW units at the Presque Isle Power Plant located in Marquete, Michigan. The project scope covers a five year time period, with the equipment installation phase expected to be completed by fall of 2004.

- Total estimated project cost is estimated to be $49.5 million, at a 50% cost split between U.S.DOE and the applicant. This amounts to a estimated $24.8 million project cost for We Energies.

- Mercury emission reductions achieved as part of this project are eligible as part of the 10 and 50% reduction targets included in the proposed Wisconsin Department of Natural Resources Multi-emission Cooperative Agreement.

Proposed State Mercury Rules

- The DNR Citizen's Advisory Committee concluded its work in July, and a report was issued by the Department 9/23/02. The report contains various perspectives and opinions held by the stakeholders who participated in the CAC, but no consensus was reached and the report contains no recommendations for the proposed mercury rules. A companion DNR Technical Advisory Group compiled draft work products, but the work of the TAG remained incomplete by the time the CAC concluded.

- The Department is providing a mercury update to the Natural Resources Board (NRB) at its 9/25/02 meeting. The Department has said that it intends to take a final proposal for mercury rules to the NRB for action yet this year.

- A Wisconsin Mercury Deposition Case Study was conducted to provide information to be considered as part of the proposed rule-making. Wisconsin Utilities contracted for a study having two primary objectives:
    1. to estimate how much mercury being deposited in Wisconsin's lakes and waterways comes from in-state sources, and
    2. to begin to quantify the potential environmental benefit that could be achieved as a result of state-only rules, including impacts on state fish advisories.

- The study found that mercury deposition declines by 1-4% over most of the state when all Wisconsin utility emissions of mercury are eliminated. Since the estimated reduction in mercury deposition is so low, no reduction in fish advisories can be expected.

- The findings of this report were widely distributed, including during briefings with key environmental and energy decision-makers within the state. The study results provide the rational for developing alternative rules that begin to address environmental concerns and allow for transition to pending federal regulations.

- We Energies has continued to propose a multi-emission alternative, as illustrated by the Multi-emission Cooperative Agreement.

- Federal mercury rules are still under development, with U.S.EPA scheduled to issue draft rules by December 2003, and final rules by December 2004.

Pleasant Prairie Power Plant Mercury Removal Test Program

A 50-foot-tall storage silo holds nearly 25 tons of activated carbon at Pleasant Prairie Power Plant. The activated carbon is used to remove mercury from flue gas emissions.

Key Points

- We Energies is proactively conducting tests at its Pleasant Prairie Power Plant (PPPP) to determine the technical and economic feasibility of mercury controls.
- The PPPP mercury research is an integral part of the company's integrated air quality plan. We have proposed to reduce mercury by 10% over the next five years, and 40% over the next ten years as part of a plan to also reduce SO_2, NO_x and particulate emissions.
- Recently, the Wisconsin Department of Natural Resources proposed far-reaching rules to limit mercury emissions from state utilities. The PPPP research will provide information essential to determine the feasibility of meeting those requirements.

Bottom Line

Focused research – like this program – is the key to developing effective control solutions for mercury.

This paper summarizes the preliminary findings of the nation's first full-scale test of sorbent injection to control power plant mercury emissions. Through collaboration with the U.S. Department of Energy (DOE), U.S. Environmental Protection Agency (EPA), Electric Power Research Institute (EPRI) and ADA Environmental Services (ADA-ES), We Energies *recently tested sorbent injection at its Pleasant Prairie Power Plant. This project is a key component of our mercury research and control program. The results will contribute to the development of technologies to control mercury emissions.*

Questions & Answers

Why is this research important and what is the objective?

Coal is a critical part of the current – and future – mix of fuels used to produce electricity in the United States. However, coal contains trace amounts of mercury which are released into the air when the coal is burned. Existing controls that are commercially available and commonly used to control SO_2 and particulates can additionally capture mercury, but control capabilities vary significantly – from 0% to 90% – depending on the coal being burned. Therefore, this study is critical because it will evaluate the technical and economic feasibility of removing mercury emissions at our Pleasant Prairie Power Plant (PPPP) using activated carbon sorbent injection technology. In addition, the PPPP test program is important because the plant burns a western, sub-bituminous coal and uses an electrostatic precipitator (ESP). Nearly 90% of all U.S. coal-based units are equipped with ESPs. Therefore, the test results will have national application.

How will this research affect our integrated air quality strategy?

Reducing mercury emissions is just one air quality improvement objective for We Energies. We also need to gain an understanding of how this mercury-specific control technology can be integrated with others designed primarily to reduce SO_2, NO_X and particulate emissions. A key factor in designing and implementing new emission controls is their impact on fly ash. Because we strongly support the beneficial re-use of ash to avoid landfilling large quantities of this material, we will determine whether sorbent technology can both reduce mercury emissions and allow ash re-use.

Why use sorbent injection technology?

Sorbent injection is the most developed mercury-specific control technology currently available. In June 2000, pilot (reduced-scale) mercury removal tests were conducted at PPPP using real flue gas. In fall 2001, a full-scale test was performed at PPPP while the plant was exhibiting normal operating conditions and provided critical information about the capabilities of this developing technology.

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What are the initial results?

At this time, the research team can conclude the following:

- It is possible to design, build and operate equipment at a scale capable of treating power plant flue gas.
- Activated carbons are the only sorbents proven to remove 50% or more of the mercury present in utility flue gas streams.
- Depending on the amount of sorbent injected, between 40-70% of mercury was removed from PPPP. Beyond 50% removal, the mercury reduction benefit of increased carbon injection begins to rapidly decrease.
- Between 1-10 pounds of activated carbon per million cubic feet of flue gas is required to remove 40-70% of the mercury.
- While flue gas cooling enhanced mercury removal efficiency under laboratory and limited field testing conditions at other sites, it had minimal effect at PPPP.
- No adverse impacts on ESP performance were found during the week-long testing.
- Injection of even small amounts of activated carbon will prevent fly ash from being beneficially re-used in concrete and may require that the ash be landfilled instead.
- A reasonable range of cost across various configurations of particulate control devices for the industry, and the shape of the cost curve for various mercury reduction levels, have yet to be developed.

Will this research influence the developments of federal mercury emission reduction requirements?

On Dec. 14, 2000, EPA announced it would develop regulations for reducing mercury emissions from utility coal-based boilers, fully acknowledging that:

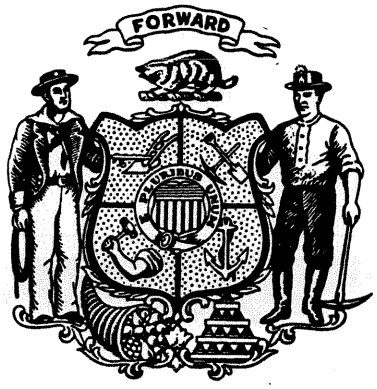
- There were no commercially available, mercury-specific control devices for utility coal-based boilers;
- There was time before the draft rules are issued (Dec. 2003) to experiment with the most promising control technologies for utilities; and,
- Mercury emissions from utilities that burn low sulfur, western coals – like We Energies – will be the most difficult to control.

EPA has convened a working group to assist in developing MACT standards for the electric utility industry using mercury removal performance data gathered from existing sources. It is unlikely that the PPPP data will be used in the MACT standard-setting process. However, the test results will be used to assess the reasonableness of the MACT standards EPA ultimately proposes.

What else is We Energies *doing to better understand the mercury issue?*

We are co-funding work sponsored by the EPA, EPRI and the DOE that will determine the effect of NO_X control technologies on mercury removal at existing power plants. Specifically, the research seeks to quantify what, if any, additional removal of mercury may be accomplished by NO_X removal technologies, such as selective catalytic reduction, selective non-catalytic reduction or flue gas conditioning. Now in its third year, the research has demonstrated that mercury removal rates can be slightly increased by SCR technology, depending on the coal being burned. However, none of the other NO_X control technologies demonstrate increased removal of mercury.

END



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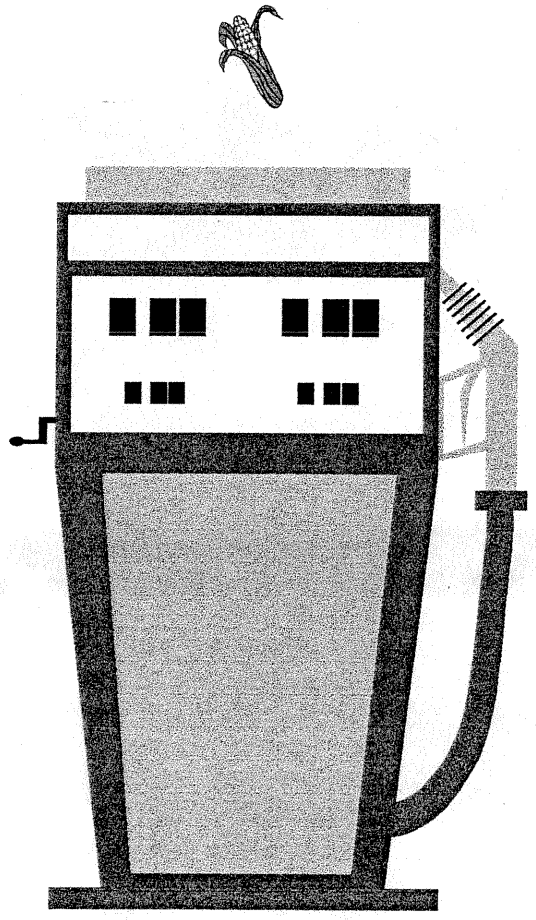
WISCONSIN GASOHOL AND ALTERNATIVE FUEL USE

April 2002 Annual Report



Department of Administration
George Lightbourn, Secretary

Division of Energy
John Marx, Administrator

INTRODUCTION

As required by s. 16.045 (5) Wis. Stats. (Attachment 1), the Department of Administration (DOA) is submitting this *Wisconsin Gasohol and Alternative Fuel Use Report.*

Since the passage of s. 16.045 (5), in 1994, state government has dramatically increased its purchases of gasoline* blended with ethanol to over 82 percent in 2002 (including reformulated gasoline using ethanol as the oxygenate).

State government and other fleet operators also purchased minor amounts of propane, compressed natural gas and ethanol (for use as an E-85 fuel) to fuel their small but growing fleets of alternative fueled vehicles. For the state as a whole, ethanol use in gasohol and reformulated gasoline (RFG) has increased from 13.3 million gallons in 1994 to approximately 85.9 million gallons in 2001 (preliminary estimate), primarily because of its use in RFG in southeastern Wisconsin.

STATE FLEET GASOHOL ACQUISITION AND DISTRIBUTION

S. 16.045 (5) Wis. Stats., enacted in April 1994, required state agencies, to the extent feasible, to purchase and use gasohol or alternative fuels in the state fleet. The table below shows the results of DOA's efforts to comply with this law.

GASOLINE DELIVERIES CONTRACTED FOR BY THE STATE OF WISCONSIN, 1995-2002

Year	Gasohol (Gallons)	Unleaded (Gallons)	Regular (Gallons)	RFG* (Gallons)	Total (Gallons)	% With Ethanol
1995	1,236,015	155,700	30,030	108,000	1,529,745	87.9%
1996	1,371,100	139,800	7,050	108,500	1,626,450	91.0%
1997	1,477,034	144,400	5,600	128,500	1,755,534	91.5%
1998	1,343,050	167,150	5,300	138,000	1,653,500	89.6%
1999	1,246,100	198,990	4,400	136,500	1,585,990	87.2%
2000	1,128,000	182,100	7,900	136,500	1,454,500	86.9%
2001	1,054,600	210,100	7,900	137,500	1,410,100	84.5%
2002	1,102,300	269,900	5,100	164,200	1,541,500	82.2%

* RFG is reformulated gasoline. Federal law requires its sale in southeastern Wisconsin. Most Wisconsin RFG contains ethanol.

* *In this report, gasoline refers to leaded, unleaded, reformulated and gasohol. Gasohol refers to a blend of 90 percent conventional (leaded and unleaded but not reformulated) gasoline with 10 percent ethanol.*

In 2002, of the 1,541,500 gallons of gasoline contracted for by the state, 1,102,300 gallons (71.5 percent) were for gasohol. Also, in southeastern Wisconsin, as required by federal law, the state contracted for 164,200 gallons of reformulated gasoline (10.7 percent of total purchases) which contained ethanol as the oxygenate. This brings the percentage of gasoline, which contains ethanol, contracted for by the State of Wisconsin in 2002 to 82.2 percent.

STATE AGENCY ACTIONS TO ENCOURAGE ALTERNATIVE FUEL USAGE

Many state vehicles are fueled at privately owned gas stations. For example, most vehicles used by Madison based Department of Transportation (DOT) and Department of Natural Resources (DNR) employees on state business are fueled at privately owned gas stations.

The Department of Agriculture, Trade and Consumer Protection (DATCP) updated its December 1995 listing of refueling facilities in the state where gasohol or other alternative fuels are available with a September 1999 publication (Attachment 2). The September 1999 listing of stations is a snap shot in time, and the number and location of stations selling gasohol varies as market forces make it more or less profitable for these stations to sell gasohol. DOA printed 3,000 copies of this brochure for use in state fleet vehicles. The brochure is also available to state employees for their personal use. DATCP is working to update this brochure with more current information.

STATE WIDE ALTERNATIVE FUEL USE

For 1996, 1997, 1998, 1999 and 2000 the Wisconsin Department of Revenue's (DOR) estimates of the liquid propane gas (LPG), equivalent gallons of compressed natural gas, and the Department of Administration's estimates of the ethanol sold for motor fuel use in Wisconsin are shown in the table below.

WISCONSIN ALTERNATIVE MOTOR FUEL CONSUMPTION
(1,000 of Gallons)

Fuel	1997 Gallons	1998 Gallons	1999 Gallons	2000 Gallons	2001 Gallons	Percent Change 00 to 01
LPG	5,820	5,657	5,105	5,250	4,569	-13.0%
CNG	278	298	253	312	305	-2.2%
Ethanol	57,428	71,448	75,400	93,890	85,939	-8.5%

Sources: LPG & CNG, Department of Revenue: Ethanol, Department of Administration

Prior to 1995, ethanol was primarily used to make gasohol (one part ethanol and nine parts gasoline). However, starting January 1, 1995, the federal government mandated that reformulated gasoline (RFG) be sold in six counties in Southeastern Wisconsin (Kenosha, Milwaukee, Ozaukee, Racine, Washington and Waukesha). Reformulated gasoline requires an oxygenate which can be supplied by methyl tertiary butyl ether (MTBE), ethyl tertiary butyl ether (ETBE) or ethanol.

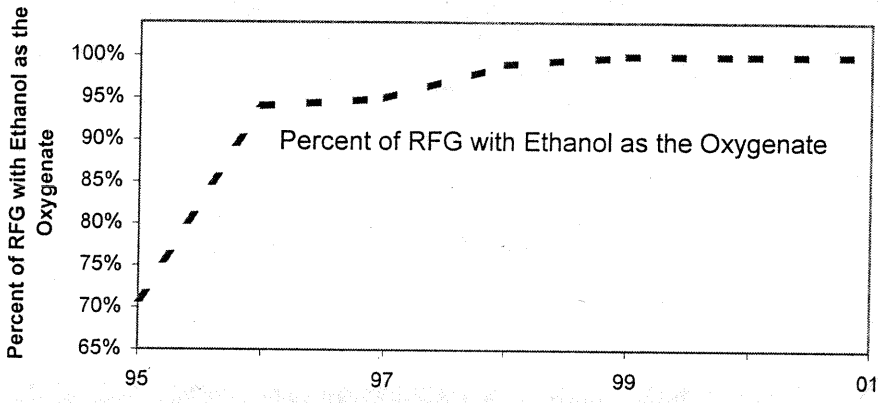
MTBE contains no ethanol. ETBE contains approximately 5.4 percent ethanol. In 1995, ethanol based RFG contained 10 percent ethanol in the winter and 7.4 percent ethanol in the summer (May 1 through September 15). However, starting in 1996, ethanol based RFG could contain 10 percent ethanol throughout the entire year.

In 1996, in Wisconsin, the RFG ethanol blend was 10 percent for all marketers through July. However, for economic reasons in August and September some of the RFG ethanol blend marketed in Wisconsin was reduced to 7.7 percent. From October through December, the ethanol blend for *most* RFG marketed in Wisconsin was reduced to 5.7 percent because of the increased cost of ethanol.

In 1997, in Wisconsin, the ethanol blend in most reformulated gasoline continued to be 5.7 percent from January through April. In May, the ethanol blend in most reformulated gasoline sold in Wisconsin increased to 10 percent and remained 10 percent throughout 2001.

In 1995, 1996, 1997, 1998, 1999, 2000 and 2001 ethanol supplied the oxygenate for approximately 71 percent, 94 percent, 95 percent, 99 percent, 100 percent, 100 percent and 100 percent of the reformulated gasoline sold in Wisconsin, refer to the following graph.

Percent of RFG Sold in Wisconsin with Ethanol as the Oxygenate, 1995-2001

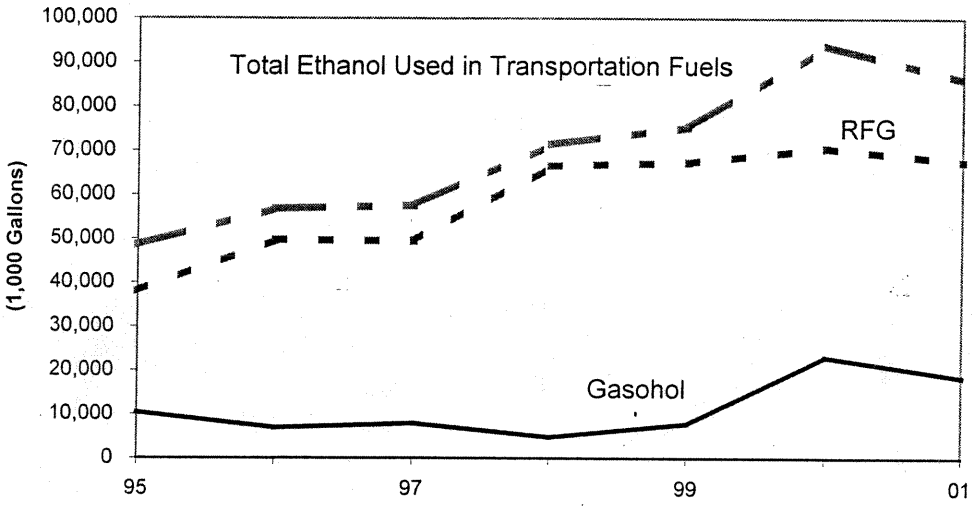


Ethanol is also used in producing ETBE which can be used as an oxygenate in producing RFG. From January 1995 through April 1995, between 22 to 27 million gallons of RFG oxygenated with ETBE were shipped into Wisconsin. In May 1995, Wisconsin use of ETBE was discontinued and the RFG market share shifted to ethanol blends. This shift away from selling reformulated gasoline made with ETBE (or MBTE) in Wisconsin occurred because of the adverse publicity and consumer reaction to ether based reformulated gasoline in Wisconsin.

In 2001, DOA estimates that the amount of ethanol used in making RFG for sale in Wisconsin was approximately 67.5 million gallons. In addition, approximately 18.5 million gallons of ethanol were blended with gasoline for sale as gasohol, with only minor amounts used in E-85 fuel. This brings total ethanol used as a motor fuel to approximately 86 million gallons in 2001. This compares with 77.4 million gallons and 93.8 million gallons of ethanol used in 1999 and 2000 respectively. The following graph

show how ethanol used in RFG and gasohol has changed over time. The total includes a small amount of ethanol used in producing E-85.

Wisconsin's Ethanol Use by Fuel Type, 1995-2001



Known E-85 users in Wisconsin are State Government and the U.S. Government Services Agency (GSA). DOA's 2001 purchase of E-85 fuel totaled 24,790 gallons. The E-85 fuel purchased by DOA can also be used to fuel E-85 vehicles operated by the Department of Natural Resources (DNR), the Department of Transportation (DOT) and the GSA. DOA has two E-85 refueling sites, which are located in Madison and Milwaukee. There is also a Stop and Go located at 5445 University Avenue in Madison, which sells E-85 fuel. Most DOT and some GSA E-85 vehicles fuel at this station. The State Government will purchase 365 E-85 vehicles for model year 2002, bringing the total number of E-85 vehicles operated by State Government to 2,108. For model year 2002, the GSA anticipates purchasing 207 E-85 vehicles for use in Wisconsin, increasing its Wisconsin E-85 vehicle fleet to 492.

For model year 2002, the State of Wisconsin is buying 21 CNG vehicles, (Attachment 3). For this model year, the State of Wisconsin does not anticipate buying any new LPG fueled vehicles. After completing their model year 2002 purchases, the State of Wisconsin will be operating 153 CNG vehicles and 83 LPG vehicles. DOA's 2001 purchases of CNG and LPG totaled 21,045 gasoline gallon equivalents and 4,875 gallons, respectively.

UW-Milwaukee's fleet of 107 vehicles includes 90 alternative fueled vehicles. The mix of alternative fueled vehicles consist of 31

dedicated CNG vehicles, 31 bifuel CNG vehicles, 27 ethanol (E85 FFV) vehicles and 1 biodiesel vehicle. UW-Milwaukee plans to convert the remaining 17 vehicles in its fleet to alternative fuels when acceptable replacement models exist. To improve ease of refueling its CNG fleet, UW-Milwaukee installed a CNG refueling station.

Attachment 4 provides additional information on state actions to encourage the use of alternative fueled vehicles in Wisconsin.

Committee members with questions are encouraged to contact John Marx, Administrator, Division of Energy (608) 266-2035.

Attachment 1

Authorizing Legislation

16.045 Storage and use of gasohol and alternative fuels. (1) In this section:
(a) "Agency" means an office, department, independent agency, institution of higher education, association, society or other body in state government created or authorized to be created by the constitution or any law, which is entitled to expend moneys appropriated by law, including the legislature and the courts, but not including an authority created in ch. 231, 232, 233, 234 or 235.
(b) "Alternative fuel" means any of the following fuels the use of which the department of natural resources finds would improve air quality as compared to the use of gasoline or petroleum–based diesel fuel:
1. Bio–diesel fuel.
2. Methanol.
3. Ethanol.
4. Natural gas.
5. Propane.
6. Hydrogen.
7. Coal–derived liquid.
8. Electricity.
8m. Solar energy.
9. Fuel derived from biological material.
10. Any other fuel except gasohol that the department of natural resources finds to be composed substantially of material other than petroleum, the use of which would yield substantial environmental benefits.
(c) "Bio–diesel fuel" means fuel derived from soybean oil with glycerine extracted from the oil, either in pure form or mixed in any combination with petroleum–based diesel fuel.
(d) "Gasohol" means any motor fuel containing at least 10% alcohol the use of which the department of natural resources finds would improve air quality as compared to the use of gasoline or petroleum–based diesel fuel.
(2) The department shall, whenever feasible, require agencies to store no motor fuel except gasohol or alternative fuel in facilities maintained by the agencies for the storage of fuel for and the refueling of state–owned or state–leased vehicles. This subsection does not authorize construction or operation of such facilities.
(3) The department shall, by the most economical means feasible, place a copy of the current list of gasohol and alternative fuel refueling facilities received from the department of agriculture,

trade and consumer protection under s. 100.265 in each state–leased motor vehicle that is stored on state property for more than 7 days and in each state–owned motor vehicle. The department shall also make reasonable efforts to inform state officers and employees whose responsibilities make them likely to be using motor vehicles in connection with state business of the existence and contents of the list maintained under s. 100.265 and of any revisions thereto. The department may distribute the list or information relating to the list with salary payments or expense reimbursements to state officers and employees.

(4) The department shall require all state employees to utilize gasohol or alternative fuel for the operation of all state–owned or state–leased motor vehicles whenever such utilization is feasible.

(5) The department shall encourage distribution of gasohol and alternative fuels and usage of gasohol and alternative fuels by officers and employees who use personal motor vehicles on state business and by residents of this state generally. The department shall report to the appropriate standing committees under s. 13.172 (3) concerning distribution and usage of gasohol and alternative fuels in this state, no later than April 30 of each year.

History: 1993 a. 351; 1995 a. 27; 1997 a. 73.

100.265 List of gasohol and alternative fuel refueling facilities. No later than December 31 annually, and at such other times as the department determines to be necessary, the department shall publish and transmit to the department of administration a list of all refueling facilities in the state at which gasohol, as defined in s. 16.045 (1) (d), or any alternative fuel, as defined in s. 16.045 (1) (b), is available. The list shall be organized by location and shall indicate which facilities are open to the public, which types of fuel are available at the facilities and which facilities are limited to use by certain employees or types of vehicles, and shall identify the employees or types of vehicles to which such use is limited.

In 100.265, Department refers to the Department of Agriculture Trade and Consumer Protection.

Attachment 3

MODEL YEAR 2002 ALTERNATIVE FUELED VEHICLES PURCHASED BY THE STATE OF WISCONSIN

Department of Administration (DOA) – 365 Ethanol (E-85) Flexible Fuel Vehicles, 21 CNG Bifuel Vehicles

Department of Corrections (DOC) – 32 Ethanol (E-85) Flexible Fuel Vehicles

Department of Health & Family Services (DHFS) –-4 (E-85) Flexible Fuel Vehicles

Department of Naturla Resources (DNR) – 73 Ethanol (E-85) Flexible Fuel Vehicles

Department of Transportation (DOT) – 81 Ethanol

Department of Veteran Affairs (DVA) – 6 Ethanol

UW-Madison – 32 Ethanol (E-85) Flexible Fuel Vehicles

UW-Green Bay - 3 Ethanol (E-85) Flexible Fuel Vehicles

UW-Platteville – 3 Ethanol (E-85) Flexible Fuel Vehicles

UW-River Falls – 1 Ethanol (E-85) Flexible Fuel Vehicles

UW-Eau Claire – 1 Ethanol (E-85) Flexible Fuel Vehicles

UW-Stout – 1 Ethanol (E-85) Flexible Fuel Vehicles

UW Colleges – 3 Ethanol (E-85) Flexible Fuel Vehicles

TOTAL STATE OF WISCONSIN ALTERNATIVE FUEL VEHICLE PURCHASES INCLUDING MODEL YEAR 2002

Ethanol (E-85) Flexible Fuel Vehicles: 365
Cumulative (previous model years included) = 2,108

Compressed Natural Gas: 21
Cumulative (previous model years included) = 153

Liquified Petroleum Gas (Propane): 0
Cumulative (previous model years included) = 83

TOTAL PURCHASES 2002 = 386 CUMULATIVE TOTAL = 2,324

Attachment 4

WISCONSIN ALTERNATIVE FUELS TASK FORCE
BACKGROUND, INITIATIVES AND ACCOMPLISHMENTS

BACKGROUND

The Wisconsin Alternative Fuels Task Force (Task Force) was formed in August 1990 by Governor Tommy G. Thompson to develop common sense, market-driven applications for alternative fuels use in the state fleet. The primary objective was to gain experience with alternative fuels to enable fuel diversification within the fleet and at the same time reduce air pollution from motor vehicles. The Task Force operates through working partnerships with industry and universities. The Task Force partners with the University of Wisconsin-Milwaukee (UWM) Center for Alternative Fuels for project management. Projects include in-use fleet demonstrations, sponsoring local government grant programs and facilitating national programs to enhance the awareness of alternative fuels.

CREATION OF THE GOVERNOR'S ALTERNATIVE FUELS TASK FORCE:

Secretary George Lightbourn is the appointed Chair. Members are cabinet secretaries of the Department of Transportation; Department of Workforce Development; Department of Agriculture, Trade & Consumer Protection; Department of Commerce; Department of Natural Resources; the Chair of the Public Service Commission and the President of the University of Wisconsin System. Project management is performed collaboratively by the Task Force and UWM Center for Alternative Fuels. Staff members are housed in the Department of Administration and the University of Wisconsin-Milwaukee.

FOLLOWING ARE MAJOR INITIATIVES FOR 2002:

E85 INFRASTRUCTURE DEVELOPMENT INITIATIVE FOR SOUTHEAST WISCONSIN:

The primary objective of this project is to develop an extensive E85 infrastructure initiative for the ozone non-attainment counties of Southeast Wisconsin. The project will facilitate the siting of retail E85 refueling infrastructure at retailers within close proximity to E85 flexible fuel vehicle fleets to increase the use of E85 as an alternative transportation fuel. The project also aims to increase consumer awareness of the benefits of E85 as a clean burning, domestically produced, renewable alternative fuel. In addition, the project aims to heighten awareness of E85's clean air benefits through increased use of fuel ethanol based on its increased availability.

In 2000, the Task force secured support and funding from USDOE, Ford Motor Company, the State of Wisconsin, Wisconsin Corn Promotion Board, Illinois Corn Growers Association and the State of Illinois.

Currently seven of ten stations have been contracted. In November 2001, WI Governor Scott McCallum and UWM Chancellor Nancy Zimpher announced the award of seven stations to Bulk Petroleum Corp. at the UWM Center for

The Task Force is currently coordinating events highlighting milestones in the infrastructure project, including award announcements, E85 station groundbreaking ceremonies and grand openings. The increased awareness, availability and use of E85 fuel will provide economic development opportunities to rural Wisconsin communities with corn-based economies. Increased demand will require in-state production of ethanol. Communities with the proper resources will have an opportunity to build an ethanol production facility to support the increased use of ethanol in the state.

E85 MARKET DEVELOPMENT CAMPAIGN:
The Task Force and the UWM Center for Alternative Fuels will implement a marketing campaign to highlight the benefits of E85 fuel and its increased availability. The WI Department of Motor Vehicles has been contacted regarding acquiring a database of private FFV owners in SE WI. This database will be used for direct mailers, newsletter, etc. In addition, we are working with a statewide radio network on developing radio spots to promote E85 fuel. The marketing campaign will progress as stations become operational.

The Initiative has received publicity within the UWM Community. Dr. Kenneth Neusen, Director of the UWM Center for Alternative Fuels, was interviewed for two radio programs "At 10 and "Milwaukee Ideas." Also, Dr. Neusen was a featured speaker at the January 2002 meeting of the Urban Ecology Center in Milwaukee. The Urban Ecology Center is a community-based organization interested in environmental issues. This forum provided an opportunity to speak directly to community members about E85 and its feasibility in SE WI.

WISCONSIN E85 COORIDOR PROJECT
The Task Force and the UWM Center for Alternative Fuels are developing the E85 Wisconsin Corridor Project. This project will provide a vital link to join the states of Minnesota, Illinois, Indiana and Michigan in a North Central E85 Refueling Corridor which will allow for greater regional use of E85. The state will pursue a grant proposal with the US Department of Energy and is also seeking additional funding.

WISCONSIN E85 VEHICLES SPEAK OUT
The Task Force and UWM Center for Alternative Fuels are exploring the possibility of increasing the visibility of the State of Wisconsin flexible fuel vehicle fleet through the use of vehicle signage. Vehicle signage would promote otherwise indistinguishable FFVs as clean, domestically renewable fuel vehicles.

LOCAL GOVERNMENT ALTERNATIVE FUELS GRANT PROGRAM
The Task Force will reinstate the Local Government Alternative Fuels Grant Program using State Oil Overcharge funds to aid in marginal costs for the purchase of alternative fuel vehicles. All Wisconsin municipalities and state fleets are eligible for grant funds. Grant award recipients are required to participate in a 2-year research program to include collection of fuel usage data, user convenience surveys, maintenance/repair costs and vehicle emissions testing at the University of Wisconsin-Milwaukee Center for

Alternative Fuels Laboratory Facility located in Milwaukee, WI. Grant awards will be determined based on a competitive application process. The maximum grant award per passenger vehicle is $6,500 and $12,000 per truck, van or bus with a total of $50,000 per grant recipient. Available funding available for 2002 is $100,000.

CMAQ ALTERNATIVE FUELS GRANT PROGRAM

The Congestion Mitigation Air Quality (CMAQ) Alternative Fuels Grant Program is comparable to the Local Government Grant Program, but is limited to municipalities and state fleets in an 11 county area. The counties of Milwaukee, Waukesha, Racine, Kenosha, Walworth, Ozaukee, Washington, Sheboygan, Manitowoc, Kewaunee, and Door are eligible for funds. Available funding for 2002 is approximately $150,000 for the marginal cost of purchasing vehicles. .

WISCONSIN ALTERNATIVE FUELS TASK FORCE WEBSITE DEVELOPMENT

The Task Force developed an alternative fuels Website to post on the Wisconsin Department of Transportation Webpage. The content includes general information on all alternative transportation fuels in Wisconsin. The Website serves as a valuable source of information for those interested in infrastructure and development of alternative fuels within the state. The Task Force is currently seeking approval for posting the information.

ALTERNATIVE FUELED VEHICLES AND EPACT CREDITS:

The Energy Policy Act of 1992 (EPACT) was designed to increase US energy security through the expanded use of alternative fuels. The EPACT requires state and fuel provider fleets to purchase alternative fuel vehicles (AFVs) as a percentage of their annual new vehicle purchases. As part of EPACT, states earned credits when they purchased AFVs before the start of the law in 1996 and when they currently purchase AFVs in excess of its requirements. The State of Wisconsin became a leader in the introduction of alternative fueled vehicles as early as 1994, and we now have acquired 1190 EPACT credits through Model Year 2001. EPACT credits could potentially be an innovative new revenue source as they are available to sell and trade. The fleet is in compliance and exceeded the stricter EPACT purchasing mandate of 75% for Model Year 2001. As a result of our initiatives, the State of Wisconsin received the Department of Energy Alternative Fueled Vehicle All Star Award for Model Year 2000.

BREATH EASY: ALTERNATIVE FUELS INFRASTRUCTURE IN WISCONSIN

A publication of the refueling stations in Wisconsin offering alternative fuels for retail sale. By Wisconsin mandate, stations selling gasohol (E10), fuel ethanol (E85), compressed natural gas (CNG) and propane (LPG) are compiled in one publication and furnished in each state fleet vehicle. The listing includes station name, fuel offering, location, phone and hours of operation. This publication is updated on an annual basis and also available to the public.

PAST ACCOMPLISHMENTS INCLUDE:

INTERNATIONAL DEVELOPMENT SEMINAR ON FUEL ETHANOL
The International Development Seminar was held on December 14, 2001 in Washington, DC. The Task Force, the Governors' Ethanol Coalition-International Committee and Sustainable Energy Strategies, Inc., a consulting group based in Washington, coordinated this event. The goal of this seminar was to raise the awareness of ethanol to the international community, specifically non-governmental organizations (NGOs), various embassies and international development organizations by presenting market data and analysis indicating the of the environmental and economic benefits of the production and the use of fuel ethanol worldwide. Seminar sponsors included the US Department of Energy, Governors' Ethanol Coalition-International Committee, the State of Wisconsin, Renewable Fuels Association, Quebec Government, Brazilian Embassy, Cargill, and Hart IRI. Attendance consisted of over 75 representatives from 14 countries, including the Argentine Republic, Brazil, Canada, Colombia, France, Germany, India, Mexico, Peru, Poland, Sweden, Thailand, Ukraine and the United States.

GENERAL MOTORS 2002 ETHANOL FLEXIBLE FUEL ENGINE EVENT
On September 19, 2001 the Task Force and General Motors coordinated an ethanol promotion event at the General Motors Janesville Assembly Plant in Janesville, WI to highlight the production of Model Year 2002 Chevrolet Suburban, Tahoe and GMC Yukon sport utility vehicles as flexible fuel vehicles. The event promoted the use of ethanol fuel (E85) based on its environmental, economic development and energy security benefits. The event included participation by the Governor and GM officials. Approximately 65 people attended with representatives from government, the auto industry, agriculture and the media. The event received media coverage in three markets including Janesville and Madison, WI and Chicago, IL.

INTERNATIONAL ALTERNATIVE FUELS RESEARCH STUDY
Completed in 2000, the two year study performed by the Task Force and the UW-Milwaukee Center for Alternative Fuels collected research on alternative fuels use worldwide. The study identified the types of alternative fuels used in four countries with mature alternative fuel markets. The case study countries included Canada, Sweden, Australia and Brazil. Each country provided insight on best practices and potential obstacles to the implementation and promotion of alternative fuels. Additionally, the study highlighted current trends in the alternative fuels industry worldwide to aid countries interested in developing their own alternative fuels market.

INFORMATIONAL WORKSHOPS ON THE CLEAN FUEL FLEET PROGRAM, AFV FUNDING AND ALTERNATIVE FUEL MANDATES:
The Task Force and UWM Center for Alternative Fuels collaboratively host workshops to educate fleet managers and the general public about alternative fuels, alternative fuel vehicles, available alternative fuel funding sources and alternative fuel mandates. Fleets are located in the Clean Fuel Fleet Program and Energy Policy Act of 1992 (EPACT) areas.

ETHANOL WORKSHOP IN WISCONSIN

As part of the US Department of Energy Regional Biomass Energy Program Ethanol Workshop Series for 2000, the State of Wisconsin hosted an ethanol workshop entitled "An Ethanol Production Plant: A Doorway of Opportunity in Wisconsin." Interest in the workshop resulted from the passage of the ethanol producers incentive in the Legislature in Spring 2000. The workshop presented opportunities for ethanol production in Wisconsin using agricultural and forestry resources. Industry developments, ethanol production opportunities, incentive programs fuel markets and infrastructure, financing, environmental and economic policy issues were discussed.

E85 FORD WINDSTAR EVALUATION PROGRAM:

Through a partnership with the National Renewable Energy Laboratory, the State of Wisconsin operated four Ford Windstar mini-vans modified for E85 usage for evaluation. The production line vehicles had their engines and fuel delivery systems modified for high ethanol fuel use. The evaluation program consisted of vehicle operation, vehicle operator feedback, vehicle emissions and cold-start analysis. The University of Wisconsin-Milwaukee Center for Alternative Fuels conducted emissions testing, cost analysis and operator convenience survey research over a two year period ending in 1999.

LOCAL GOVERNMENT ALTERNATIVE FUELS PROGRAM:

A grant program implemented in 1991 through 1996 with State Oil Overcharge funds, which aided Wisconsin municipalities with the purchase of alternative fuel vehicles (AFVs). Grant awards were issued to municipalities for the marginal cost of AFVs. Grant awards totaled more than $725,000 for 263 vehicles. Municipalities were required to participate in a research program. Research activities included collection of fuel usage data, user convenience surveys maintenance/repair costs and vehicle emissions data.

WISCONSIN'S ALTERNATIVE FUEL VEHICLE BID:

The first alternative fuel vehicle bid was issued September 9, 1994 and received a positive response from the private sector. With the first bid, Wisconsin's State Fleet purchased a total of 94 alternative fuel vehicles including 26 compressed natural gas, 24 propane and 44 ethanol vehicles. Each year the state alternative fuel vehicle fleet has expanded with the purchase of additional alternative fuel vehicles. The state alternative fuel vehicle fleet totals approximately 2,000 CNG, propane and ethanol vehicles. The vehicles continue daily operation and to provide the state with real-world experience.

STUDY AND ASSESSMENT OF ALTERNATIVE FUELED FLEET OPERATIONS IN THE STATE OF WISCONSIN:

Initially implemented as a pilot program, the study evaluated the viable operation of alternative fuel vehicles, specifically natural gas, ethanol and propane vehicles in the state fleet. The pilot program has evolved into a statewide alternative fuels usage policy. Of the approximate 2,000 state-owned alternative fuel vehicles (AFVs) statewide, a percentage continue the tradition of periodic emissions testing. Performance data obtained in the program are used to guide future purchases of alternative fuel vehicles.

UNIVERSITY OF WISCONSIN-MILWAUKEE CENTER FOR ALTERNATIVE FUELS EMISSIONS TESTING LABORATORY:

Constructed as a result of a $2.2 million WISTAR (Wisconsin Initiative for State Technology and Applied Research) university infrastructure investment. The facility operates three engine dynamometers, which simulate inertial loads and provide power absorption characteristics for the purpose of conducting emissions testing. Emissions data is measured as speciated exhaust hydrocarbons and/or monitored components such as total hydrocarbons, nitrous oxides (Nox) carbon monoxide (CO), carbon dioxide (CO2) and particulate matter. The lab can accommodate engines ranging in size from small engines to heavy-duty vehicle engines including buses, trucks and automobiles. Past collaborations include work with Briggs & Stratton, Kohler Company and DYAD Corporation. An example of a recent collaboration includes Schwann's Sales Enterprises, Inc.

Various rule changes implemented by the EPA, primarily the September 4, 1997 *Addendum to Mobile Sources Enforcement Memorandum 1A*, prompted Schwann's Sales Enterprises, Inc., of Marshall, Minnesota to contact the UWM Center for Alternative Fuels requesting comparison emissions testing for both a 1997 and 1998 GMC Tot Kick vehicle with gasoline and LPG fuel. The results of the testing, if positive, were to be used by Schwanns for submission to the EPA for approval of the LPG conversion systems to be installed on GMC Top Kick vehicles owned and operated by Schwann's Sales Enterprises, Inc. The equipment used for testing included: Pierburg 5 Gas Analyzer; CVS; DC Dynamometer, and PowerTek Test Manager/Road Load Simulator. When the test results for both fuels were compared, the following percentages were achieved:

HC	reduced by 40.5% with LPG
Nox	reduced by 3.2% with LPG
CO-Low	reduced by 5.7% with LPG
CO-High	reduced by 4.7% with LPG

From the above results, it was readily apparent that a properly installed and maintained conversion kit converting vehicle operation from conventional gasoline to LPG can and will achieve lower emissions when tested under the same load and test schedule. Testing was completed and the vehicles were returned to Schwanns. Emissions testing were performed on additional vehicles through 1999.

WISCONSIN SMALL ENGINE CONSORTIUM:

The Consortium membership of the Wisconsin small engine industry collaborates with universities to advance research on small engines; alternative fuels and clean emissions. The University of Wisconsin-Milwaukee Center for Alternative Fuels, as a Consortium member, is currently involved in a collaborative project entitled "Effects on exhaust emission of oil introduction into the engine cylinder over the life cycle of small utility engines".