

 **07hr_SC-ENR_sb0081_pt01**



(FORM UPDATED: 08/11/2010)

**WISCONSIN STATE LEGISLATURE ...
PUBLIC HEARING - COMMITTEE RECORDS**

2007-08

(session year)

Senate

(Assembly, Senate or Joint)

**Committee on ... Environment and Natural
Resources (SC-ENR)**

COMMITTEE NOTICES ...

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

INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

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

Senate

Record of Committee Proceedings

Committee on Environment and Natural Resources

Senate Bill 81

Relating to: management of greenhouse gases, granting rule-making authority, and providing penalties.

By Senators Miller, Erpenbach, Risser and Lehman; cosponsored by Representatives Black, Boyle, Molepske, Hebl, Berceau, Parisi, Hilgenberg, Sinicki, Pocan, Benedict, Pope-Roberts and Smith.

March 06, 2007 Referred to Committee on Environment and Natural Resources.

September 25, 2007 **PUBLIC HEARING HELD**

Present: (4) Senators Miller, Wirch, Kedzie and Schultz.
Absent: (1) Senator Jauch.

Appearances For

- Mark Miller, Monona — Senator, 16th Senate District
- Spencer Black, Madison — Representative, 77th Assembly District
- Karin Ringler, Madison — herself
- Jim Ott, Mequon — Representative, 23rd Assembly District
- Patty Edelburg, Scandinavia — Wisconsin Farmers Union
- Wayne Stroessner, Random Lake — Wisconsin Intrafaith Climate Change & Energy Campaign
- Janet Weyker, Racine — Sr., Racine Dominicans
- Jennifer Jackson, Pleasant Prairie — Kenosha County
- George Meyer, Madison — Wisconsin Wildlife Federation
- Don Hammes, Middleton — Wisconsin Wildlife Federation, Dane County Conservation League
- Tony Uhl, Madison — WISPIRG
- Douglas Drake, Milwaukee — United Steel Workers
- Bruce Barrett, Madison — Dr., Physicians for Social Responsibility
- Amy Schulz, Madison — Physicians for Social Responsibility
- Claus Moberg, Madison — UW Graduate Students
- Andrea Kaminski, Madison — League of Women Voters of Wisconsin
- James Serveis, Green Bay — himself
- Leah Blough, Kenosha — WLCV
- Juliee Wendland, Viola — herself

- Steve Barney, Oshkosh — himself
- Janet Moldenhauer, Oshkosh — Sierra Club
- Scott Dettman, Milwaukee — himself
- Lauren Crane, Madison — herself
- Jessica Helgerson, Green Bay — herself.
- David Knuti, Madison — himself
- Bob Welch, Madison — WI Bio-Industry Alliance & WI Corn Growers Assn.
- Chris Deisinger, Madison — Union of Concerned Scientists
- Jennifer Giegerich, Madison — Wisconsin League of Conservation Voters
- Peter Cannon, Madison — Madison Audubon Society, Wisconsin Audubon Council
- Keith Roepelle, Madison — Clean Wisconsin
- Karen Shapiro, Madison — Midwest Environmental Advocates
- Caryl Terrell, Madison — Sierra Club - John Muir Chapter
- Liz Wessel, Madison — herself
- Jeff Smith, Madison — Trout Unlimited
- Dan Kohler, Madison — Wisconsin Environment
- Hans Noeldner, Oregon — himself
- Kathryn Walter, Milwaukee — herself

Appearances Against

- Ed Wilusz, Neenah — Wisconsin Paper Council
- Todd Stuart, Madison — Wisconsin Industrial Energy Group
- Bill Skewes, Madison — Wisconsin Utilities Association
- Scott Manly, Madison — Wisconsin Manufacturers & Commerce

Appearances for Information Only

- Barbara Lawton, Madison — Lieutenant Governor, Lt. Governor's Office
- Kathryn Sachs, Madison — E4, Inc.

Registrations For

- William Albright, Cottage Grove — himself
- David Shaffer, Madison — WISPIRG
- Paul Lee, Madison — Sierra Student Coalition
- Cindy Rose, Verona — herself
- Bill McClenahan, Madison — Forest County Potawatomi
- William Rowe, Madison — himself
- Lance Green, Madison — himself
- Greg Bell, Madison — Midvale Heights Association
- Eric Mosher, Madison — himself
- Michael Vickerman, Madison — RENEW Wisconsin

- Gary Peterson, Madison — WI Chapter of American Planning Association
- Peter Lee, Milwaukee — himself
- Ed Blume, Madison — RENEW Wisconsin
- John Bahr, Wauwatosa — himself
- Nino Amato, Middleton — Wisconsin Farmers Union
- Nicole Relyea, Madison — herself
- Karen Etter Hale, Madison — Madison Audubon Society
- Marsha Cannon, Madison — herself
- Yang Xie, Madison — himself
- Warren Gaskill, Black Earth — himself
- Sharon Gaskill, Black Earth — herself
- Cady Gifford, Madison — herself
- Elizabeth McDaniel, Madison — Wisconsin Environment
- Megan Severson, Galesville — WISPIRG
- Zachery Driscoll, Milwaukee — himself
- Alyssa Voelker, Milwaukee — herself
- Anne Sandor, Madison — WISPIRG
- Kate Borman, Madison — herself
- Jeff Rollins, Madison — himself
- Galen Smith, Madison — himself
- Peter Kourkours, Madison — himself
- Elizabeth Middleton, Madison — herself
- Maiken Westphal, Madison — herself
- Ryan Hanke, Madison — himself
- Claire Geiger, Madison — herself
- Marilyn Slauterback, Madison — League of Women Voters
- Sarah Heimerl, Madison — herself
- Katherine Blumenthal, Madison — herself
- Ruth Cainol, Viroqua — herself
- Pam Kleiss, Madison — herself
- Andrew Bean, Ripon — Environmental Group of Ripon
- Ryan deRegier, Ripon — Environmental Group of Ripon
- Ryan Luedtke, Ripon — Environmental Group of Ripon College
- Anne Sayers, Madison — Wisconsin League of Conservation Voters
- Kerry Schumann, Madison — herself
- Katie Nekola, Madison — herself
- Elizabeth Wheeler, Madison — herself
- Michael Jaccard, Madison — himself
- Renee Christensen, Madison — herself
- Joe Silberschmidt, Madison — WISPIRG
- Gary Werner, Madison — himself

- Paul Moore, Madison — Global Stewards Society
- David Ullman, Madison — himself
- Jessica Garrels, Green Bay — herself
- Doris Dubielzig, Madison — herself
- Dave Schultz, Green Bay — himself
- Raymond Litzsinger, Green Bay — himself
- Patty Zahler, Madison — Sierra Club
- Harry Read, Madison — himself
- Seth Nowak, Madison — himself
- Glenn Pillow, Linden — himself
- Anthony Ends, Brodhead — himself
- Judy Skog, Madison — herself
- Camille Bluestein, Kenosha — herself

Registrations Against

- Bob Fassbender, Madison — Center for Energy & Economic Development

Registrations for Information Only

- None.

October 31, 2007

EXECUTIVE SESSION HELD

Present: (5) Senators Miller, Jauch, Wirch, Kedzie and Schultz.

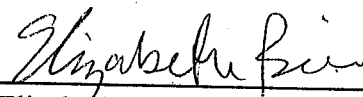
Absent: (0) None.

Moved by Senator Miller, seconded by Senator Wirch that **Senate Bill 81** be recommended for passage.

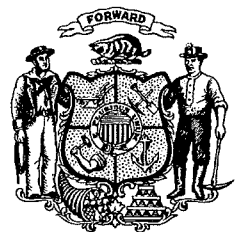
Ayes: (3) Senators Miller, Jauch and Wirch.

Noes: (2) Senators Kedzie and Schultz.

PASSAGE RECOMMENDED, Ayes 3, Noes 2



Elizabeth Bier
Committee Clerk



Vote Record

Committee on Environment and Natural Resources

Date: 10/31/07

Bill Number: SB81

Moved by: Miller

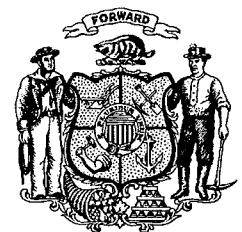
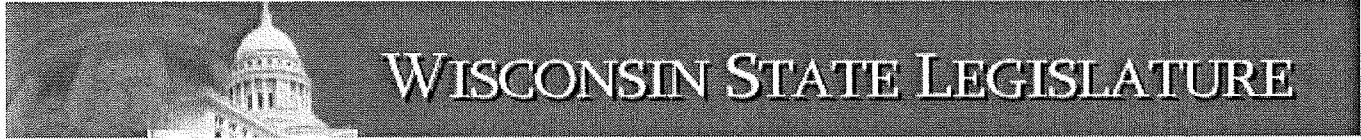
Seconded by: Wirch

Motion: _____

<u>Committee Member</u>	<u>Aye</u>	<u>No</u>	<u>Absent</u>	<u>Not Voting</u>
Senator Mark Miller, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Robert Jauch	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Robert Wirch	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Neal Kedzie	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Dale Schultz	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Totals:	<u>3</u>	<u>2</u>	_____	_____

Motion Carried

Motion Failed



**Hearing Notes
October 31, 2007**

Call Executive Session to Order and ask Clerk to call the roll

- ROLL CALL

Appointment of Matt Frank as Secretary of the Department of Natural Resources, to serve for a term ending at the pleasure of the Governor

- MOTION FOR RECOMMENDATION FOR CONFIRMATION
- SECOND
- DISCUSSION
- ROLL CALL

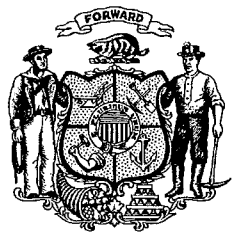
SB 81

Relating to: management of greenhouse gases, granting rule-making authority, and providing penalties

- MOTION FOR PASSAGE
- SECOND
- DISCUSSION
- ROLL CALL

The next meeting of the committee will be next week, Wednesday, November 7th for a joint informational hearing on Viral Hemorrhagic Septicemia (VHS) with the Assembly Natural Resources Committee. The hearing announcement should go out soon.

Adjourn Executive Session



McGuire, Paula

Subject: FW: Senate Bill 81

From: camille bluestein [mailto:blueaug@netzero.com]

Sent: Wednesday, September 19, 2007 4:38 PM

To: Sen. Wirch

Subject: Senate Bill 181

Feel free to use my comments regarding Bill 81.

Reiterated:

I am a non smoker, exercise daily, and eat organic. Every year I expecially dread summer coming. I have difficulty breathing and , unless absolutely necessary, do not leave the house until the sun sets or shortly after its rising. I lack the necessary energy to do the many activities I need to do. There is no problem with my heart so I am suspecting it is the combination of pollution and heat that cause these problems. The government and the citizens of Wisconsin need to consider drastic measures to care for our air quality. I think that the exhaust fumes from cars as well as industrial pollution (ie. the coal energy plant nearby) have a tremendous impact on our air quality especially mixed with the global warming problem--long hot summers.. How I miss those winters of old!

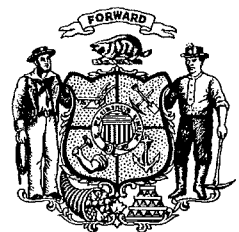
Camille Bluestein

6711 29th Ave.

Kenosha, WI 53143



WISCONSIN STATE LEGISLATURE



Sept. 24, 2007

Dear Members of the Senate Natural Resources Committee and Chairman Mark Miller.

My wife Dela, four children and I make our home near Brodhead, Wis. We operate a vegetable crop and small-scale livestock farm on what was once a dairy farm. We raise more than 100 varieties of vegetables and direct market our crops to 5 communities.

My wife and I are in our 50s. We've never seen the wide swings in temperature and moisture levels, the increased incidence of disease and insects, that we are now experiencing. We believe what we see daily and yearly now in the field is the result of climate change. We've taken steps in the past 2 years to consolidate our vegetable deliveries, to make conservation changes to buildings and to purchase a hybrid SUV – our first new vehicle – to deliver produce with a trailer. We've also had an energy assessment of our property and buildings to determine how we can install solar collectors and generate electricity with wind. We're trying hard to be more conscientious about what we do with fossil fuels. We're studying fuel options with cultivation of sorghum and sunflowers for gasoline and bio-diesel alternatives.

Most of our 130 vegetable customers and many of our value-added product customers believe as we do. We see them in face-to-face transactions. We talk to them at events. We communicate with them by email and newsletter. They are trying to source products close to home. They are trying to help increase food security. Many of them are actively trying to help reduce the effects of global warming.

In part-time and volunteer capacities – both with Churches' Center for Land and People, an ecumenical advocacy program for farming people, and the Green-Rock Audubon Society – I have also been showing an excellent 85-minute film on climate change. This DVD was produced by a Montreal film-maker. It interviews scientists and doctors, biologists and climatologists. It clearly explains the scientific models that support rationales for acting to halt climate change. I have a grant from the national Audubon program to show this film in at least 10 communities in our two counties over the winter. Our local society is recruiting partners in those communities to help show the film to as many people as possible.

I took time from my full-time work today to support SB 81/AB 157, the Wisconsin Safe Climate Act. I understand that it will develop a science-based plan to reduce Wisconsin's global warming emissions to 1990 levels. I want to strongly caution you, however, to put health above wealth in your selection of scientific solutions and basis for curbing climate change.

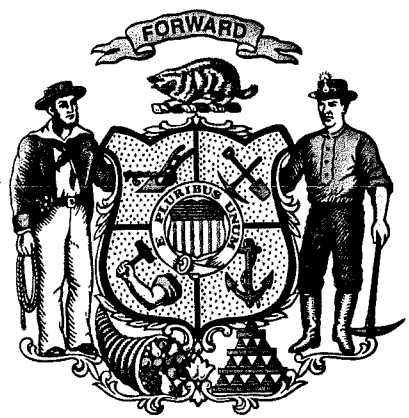
We all like and need to make money. Yet it is single-minded, money-driven efficiencies that have gotten us into the potentially catastrophic situation that our world faces today. There are many alternatives to fossil fuel consumption, which unfortunately have negative, harmful effects on human health and ecology. Corn-based ethanol production is one of the most highly questionable fuel substitutes in this category. Without its massive federal subsidy, it would not even rank among possible options.

Please consult with experts in all of the sciences – including especially medical and health fields – as you move forward to address climate change. Please act quickly, for we have most certainly less than a decade to bring about substantive change before our Earth approaches a climatic point of no-return.

Respectfully,



Tony and Dela Ends
910 Scotch Hill Road
Brodhead, WI 53520 / 608 897-4288





Wisconsin Wildlife Federation

MACKENZIE ENVIRONMENTAL CENTER

W7303 COUNTY HIGHWAY CS, POYNETTE, WI 53955 (608) 635-2742 • (800) 897-4161

www.wiwf.org

AFFILIATED WITH NATIONAL WILDLIFE FEDERATION

Wisconsin Wildlife Federation

September 24, 2007

Testimony of the Wisconsin Wildlife Federation on Senate Bill 81---Wisconsin Safe Climate Act

Good morning. My name is George Meyer and I am the Executive Director of the Wisconsin Wildlife Federation. Joining me this morning is Don Hammes, a member of the Board of Directors of the Federation and Chair of the Federation's Wetlands Committee. He also serves on the Board of Directors of the Dane County Conservation League.

We are here today on behalf of the WWF to testify in support of Senate Bill 81. The Federation is the state's largest conservation organization and represents 157 hunting, fishing and trapping groups in Wisconsin.

The issue of Climate Change is critically important to those that hunt, fish and trap. There is no group of individuals that have chronicled the substantial weather related changes to the outdoor than sportsmen and women. Many of our members have spent forty to fifty years outdoors and can attest to the great changes that have taken place in their lifetime including the shortened ice fishing and snowmobiling seasons, the need to wear short sleeves during the November gun deer season or the fact that severe cold temperatures and snow no longer keep the northern deer herd in check.

Our members are greatly concerned about the effects of greenhouse gases on the future of fish and wildlife and their habitat in this state and call on the Legislature to adopt Senate Bill 81 in the near future.

According to a recent poll commissioned by the National Wildlife Federation, sixty-seven percent of sportsmen identify global warming as an urgent problem the needs immediate action. Eighty-two percent believe the nation can invest in clean, renewable energy technologies that create jobs while reducing global warming pollution. Eighty percent of hunters and anglers surveyed believe the U.S. should be a world leader in addressing global warming and eighty-two percent believe that solving this problem should be a priority.

President:

Lil Pipping

Elkhart Lake, WI

920-876-4312

lpipping@dotnet.com

First Vice President:

Jack Nissen

Dousman, WI

262-370-8154

countyhighway@yahoo.com

Second Vice President:

Chuck Matyska

Cecil, WI

715-745-6382

mmatyska@ez-net.com

Treasurer:

Laura Huber

Arpin, WI

715-569-4061

laura.huber@tds.net

Secretary:

Kate Hau

New Franken, WI

920-471-7228

khau0914@yahoo.com

Executive Director:

George Meyer

608-516-5545

georgemeyer@tds.net

Development Director:

Meg Nelson

608-242-8633

megnelson@sbcglobal.net

Teaming with Wildlife

Coalition Coordinator:

Susan Foote-Martin

608-266-0545

susan.foote-martin@wisconsin.gov

Business Manager:

Lonna Zeman

608-635-2742

lonna@wiwf.org

MEC Educator:

Ruth Ann Lee

608-635-8105

ruthann@wiwf.org

MEC Facility:

Dan Lee

608-635-8110

danlee@wiwf.org

Don.

Good morning, let me address a few of the major actual and projected impacts of climate change on fish and wildlife habitat in Wisconsin:

1. Long-term studies have shown a decrease from 120 days of ice cover on southern Wisconsin lakes to less than 90 days, most recently 60 days or less. That is very significant if you are a Wisconsin ice angler.
2. It is projected that without significant emission reductions, the Great Lakes will be lowered four to eight feet.
3. Likewise it is projected that there will likely be a significant reduction in Wisconsin's valuable inland lakes
4. There are professional projections that up to 69% of the Midwestern prairie potholes will dry up leading to a major reduction of migratory waterfowl populations. Many of Wisconsin's shallow marshes will disappear.
5. It is projected that there will be substantial warming of Wisconsin's wonderful cold water streams with the loss of 50% of our rainbow trout and 100% of our brook trout.
6. It is projected that 53% of the current migratory songbird species will disappear from the state including the Pine Siskin, the Red-breasted Nuthatch, the Purple Finch and the Evening Grosbeak. While there will be new species migrating to the state, there is a projected net decline of 29% of songbird species in Wisconsin.
7. It is projected that there will be a 50-70% loss of sugar maple, aspen, birch, beech and pine in the state. It is projected that we will lose 40 to 50% of our forests. These forests are extremely important to Wisconsin's economy.

These are just some of the projected impacts of climate change on Wisconsin. Climate change will cause significant ecological and economic disruptions to our state.

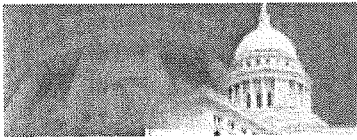
The Wisconsin Wildlife Federation requests that you adopt the requirements for the reduction of green house gases that are called for in Senate Bill 81.

These are achievable and can be done in an economically efficient manner. There are many low hanging fruit reductions that can be done in the early years while the development of new technologies will allow us to make the deeper long term reductions while still allowing our economy to grow. Since

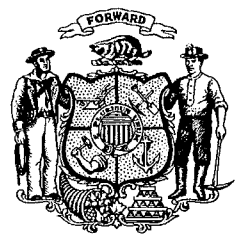
greenhouse gases accumulate in the atmosphere, the longer we wait, the deeper the future reductions will have to be and the greater the environmental and economic disruptions.

Thank you for the opportunity to testify here today on behalf of the Wisconsin Wildlife Federation

Submitted by George Meyer and Don Hammes, Wisconsin Wildlife Federation



WISCONSIN STATE LEGISLATURE





Wisconsin Utilities Association
44 East Mifflin Street, Suite 202
Madison, Wisconsin 53703

To: Wisconsin Legislature

**From: Bill Skewes, Executive Director
Wisconsin Utilities Association**

Re: SB 81 Testimony

Date: September 25, 2007

Good morning Mr. Chairman and members of the Committee. My name is Bill Skewes and I am the Executive Director of the Wisconsin Utilities Association (WUA), representing Wisconsin's investor-owned gas and electric utilities. We appreciate the opportunity to testify today in opposition to SB 81 which, among other things, seeks to reduce greenhouse gas emissions by 2020 to 1990 levels.

The Wisconsin Utilities Association (WUA), urges you to consider a number of important factors involved in this truly global issue before forwarding any climate change legislation. WUA's member companies clearly recognize the growing concerns regarding the threat of climate change and, in fact, our industry has led all other industrial sectors in reducing greenhouse gas emissions. Through various programs and mechanisms such as the Wisconsin Voluntary Early Emission Reduction Registry, that commitment continues.

No matter what the ultimate path is, success in that mission – while maintaining a safe, reliable and affordable electricity supply – will require an aggressive and sustained commitment by the industry and policymakers to the development and deployment of a full suite of technology options, including:

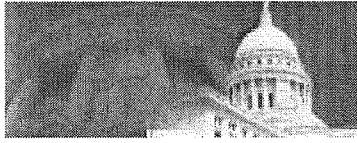
- An intensified national commitment to energy efficiency, including advanced efficiency technologies and new regulatory models;
- Accelerated development and cost effective deployment of demand-side management technologies and renewable energy resources; and
- Advanced clean coal technologies.

Although some of these options are currently available – albeit at a higher cost than conventional generation sources – many are not. All have different time horizons but all are critical to the dual goals of addressing greenhouse gas (GHG) emissions and maintaining a reliable, affordable electricity supply in a carbon-constrained world. In addition, because of the national and more importantly global nature of the issue, solutions are best considered at the federal level and should, in fact, require participation of the entire world economy.

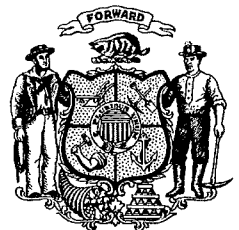
Based on policy principles of the national energy industry as a whole, WUA will continue to emphasize the importance of:

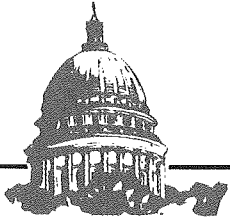
- A reliable, stable and reasonably-priced electric supply to maintain the competitiveness of the Wisconsin economy;
- A fuel-diverse generation portfolio to assure system reliability, energy security and price stability; and
- Solutions compatible with a market economy that deliver timely and reasonably priced greenhouse gas reductions.

As policy makers at all levels consider alternatives, WUA urges the Wisconsin Legislature to await the recommendations of the Governor's Global Warming Task Force before taking further action. Many stakeholders, especially the utility sector, have invested a significant amount of time and resources participating in this effort by providing technical expertise on the working groups and the Task Force in general which has helped to inform the discussion of this important issue. Thank you.



WISCONSIN STATE LEGISLATURE





MARK MILLER

WISCONSIN STATE SENATOR

P.O. Box 7882 Madison, WI 53707-7882

September 25, 2007

The overwhelming conclusion among scientists who have researched the impact of green house gasses in the earth's atmosphere is that human activities over the past 100 years have increased the likelihood that we will experience permanent global climate change if we continue on our present course.

While there is little doubt that we are contributing to global warming by increasing green house gasses emitted to the atmosphere, the climate impacts on Wisconsin are more difficult to forecast. What is known is that melting of the polar ice caps will result in a sea level rise of 12 to 40 feet, inundating or significantly impacting most of the costal cities of the world.

This is a challenge of unprecedented scale in human history. Will we take action to assume responsibility for our actions or will we continue to indulge ourselves regardless of the consequences to future generations?

SB81, the Wisconsin Safe Climate Act, sets the framework for Wisconsin to assume responsibility for its role in contributing to greenhouse gasses by setting a target of returning to Wisconsin's green house gas emission levels of 1990 by the year 2020 and establishing a mechanism for accomplishing that goal.

This is the same goal as adopted by California under a Republican governor and a Democratic legislature. Similar proposals were adopted in NJ, FL, WA, and ME.

Some argue that we should not take action because this is a global problem that should be addressed at the national level. I agree this is a national issue, but the US is the only industrialized country that has failed to assume responsibility for its contribution to green house gases. Faced with a federal failure to act, the individual states are taking action to assume responsibility for their own greenhouse gas emissions. Wisconsin, consistently a leader in environmental policy, should be among them.

The window of opportunity to control our destiny is unknown. Some have suggested we have fifty years. More believe it is as short as ten to twenty years. Some have suggested it is already too late. It is our moral responsibility to act promptly.

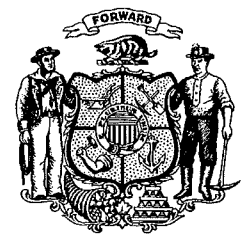
It is my hope that this committee will report SB81 with a bipartisan recommendation for passage.

Mark Miller

Wisconsin State Senate
District 16



WISCONSIN STATE LEGISLATURE



9/25/07

I regret that I was unable to stay long enough this morning to give this testimony to the committee in person.

I am here as a person of faith, a Board Member of the Wisconsin Interfaith Climate and Energy Campaign, and a member of Sustain Dane, to speak in support of SB 81, a bill to reduce our greenhouse gases.

I am a Unitarian Universalist, and reducing our greenhouse gas emissions touches on a number of Unitarian Universalist Principles.

+Respect for the interdependent web of all existence, of which we are a part. We must reduce our carbon emissions, or there won't be a good future for any organism on this planet. We are already seeing extinctions due to changing climate.

+The goal of world community with peace, liberty, and justice for all—There is no justice in the fact that the pollution produced in the United States impacts on poor communities at home, or in other countries. The CO2 we produce has already affected the climate, with more severe storms and weather patterns that vary wildly from the norm. Lohachara Island, once home to 10,000 people is now completely under water.

+The inherent worth and dignity of every person—every person has a right to breath clean air and make an adequate living, regardless of who they are, how much money they make, or where they live. Right now, this is not a reality for many people.

+Justice, equity, and compassion in human relations. Global warming is a social justice issue. It already affects poor people in all parts of the globe. It also affects all future generations (people who don't have a say in the conditions they inherit from us).

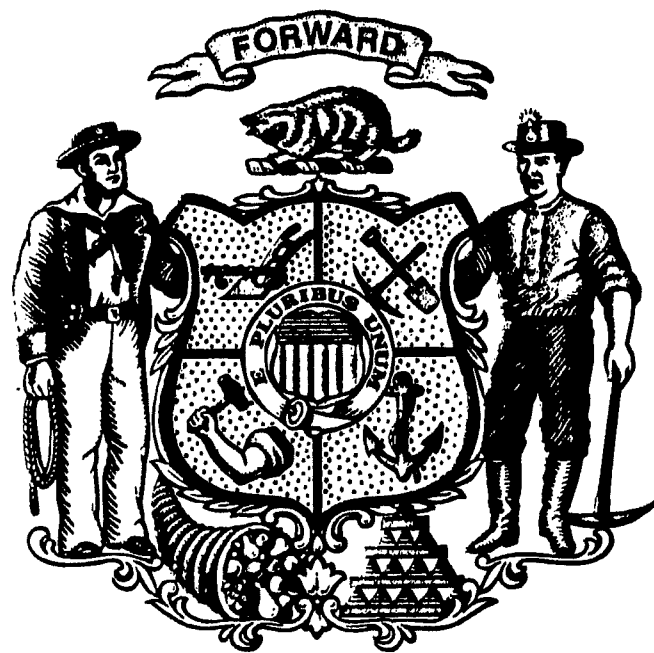
Please auction the carbon credits. Do not give them away by grandfathering industries at their current (polluting) emission levels. Make them pay for what they use, so that the cost of their product will reflect the true cost of producing it.

Please promote efficiency as the first line of defense. These are proven technologies that are available immediately.

Then promote alternative energy sources (solar, wind, geothermal, biomass). Solar hot water is very affordable. We installed a unit on our house in January 2006. With the Focus on Energy and Federal Tax rebates, it cost us about \$2500. Prior to installation, we were using about 12 therms per month. Now we use about 5.5 therms per month. That eliminates 60 pounds of CO2 a month. It saves us a little more than half of our natural gas cost each month. That will become more important as natural gas prices rise in the future.

We must turn this global warming super tanker around now. I urge you to adopt this bill so that my children will have a reasonable future.

Sincerely
Judy Skog
626 Orchard Dr.
Madison, WI 53711



AIA Wisconsin

A Society of The American Institute of Architects



MEMO

DATE: SEPTEMBER 25, 2007

TO: SENATE COMMITTEE ON ENVIRONMENT & NATURAL RESOURCES

FROM: WILLIAM M. BABCOCK, HON. AIA *WMB.*
EXECUTIVE DIRECTOR

RE: SENATE BILL 81 – MANAGEMENT OF GREENHOUSE GASES

For your reference, attached please find the following information from The American Institute of Architects (AIA) related to initiatives to reduce greenhouse gas emissions:

- “Architects and Climate Change”
- “Green Buildings and Sustainable Architecture”

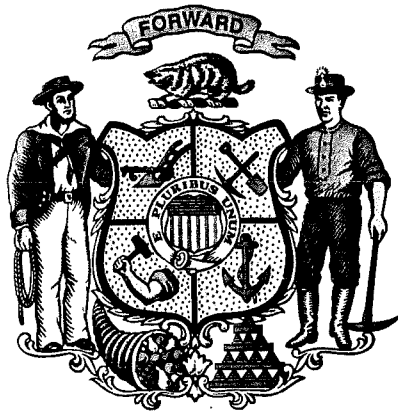
Architects understand that buildings are the biggest single source of emissions and that they can be designed to operate with less than half of the energy consumption of today’s average building at little or no additional cost. The AIA supports initiatives that will:

- Require all government-funded building projects and substantial building renovations to utilize green building standards;
- Provide tax incentives for green building projects undertaken by the private sector that meet certain set standards; and
- Establish GHG emissions reduction targets and outline the energy efficiency measures necessary to meet those targets.

AIA Wisconsin is the state society of The American Institute of Architects, representing architects and allied professionals in private practice, business, industry, government and education.

AIA Sustainable Design Policy Resource Center:
http://www.aia.org/adv_sustainability

321 S. Hamilton Street
Madison, WI 53703-4000
Telephone 608.257.8477
Fax 608.257.0242
Email aiaw@aiaw.org
URL www.aiaw.org





122 State St., Ste. 310 | info@WisconsinEnvironment.org
Madison, WI 53703 | (608) 251-1918 (ph)
www.WisconsinEnvironment.org | (608) 287-0865 (fx)

To: Senate Committee on Environment and Natural Resources
Re: Testimony in support of the Wisconsin Safe Climate Act (SB81)
From: Dan Kohler - Director, Wisconsin Environment
Date: September 25, 2007

My name is Dan Kohler. I am the director of Wisconsin Environment. On behalf of our nearly 10,000 members, I want to thank the Senate Natural Resources Committee for accepting testimony from Wisconsin Environment in support of the Wisconsin Safe Climate Act.

By adopting the Wisconsin Safe Climate Act, Wisconsin can join other states in taking decisive action to address the problem of global warming, protect Wisconsin's natural resources and move Wisconsin toward being more secure by using more homegrown, clean renewable energy.

Wisconsin Environment recently released a report assessing global warming impacts in Wisconsin.

Among our findings:

First: Wisconsin's climate is already changing

- In Wisconsin, average temperatures increased by 0.7° F during the 20th century, extreme rainfall events have become more common, the duration of ice cover on Wisconsin lakes has declined, and springtime events—such as the blooming of plants and the return of migratory birds—are happening earlier in the year. As a result, we are and can expect to continue to see impacts to our farms, forests, waterways and recreation.

Second: Wisconsin is a significant contributor to global warming.

- Emissions of carbon dioxide—the leading greenhouse gas—increased by 25 percent in the state between 1990 and 2004. Were Wisconsin its own country, it would rank 38th in the world for carbon dioxide emissions, ahead of such nations as Romania, Austria, Sweden and Israel.

To prevent the worst impacts of global warming, Wisconsin, the United States and the world must act. There is broad scientific consensus that we must work to stabilize global warming emissions at or below today's levels by the end of the decade, reduce emissions by at least 15 to 20 percent by 2020, and reduce emissions by at least 80 percent by 2050.

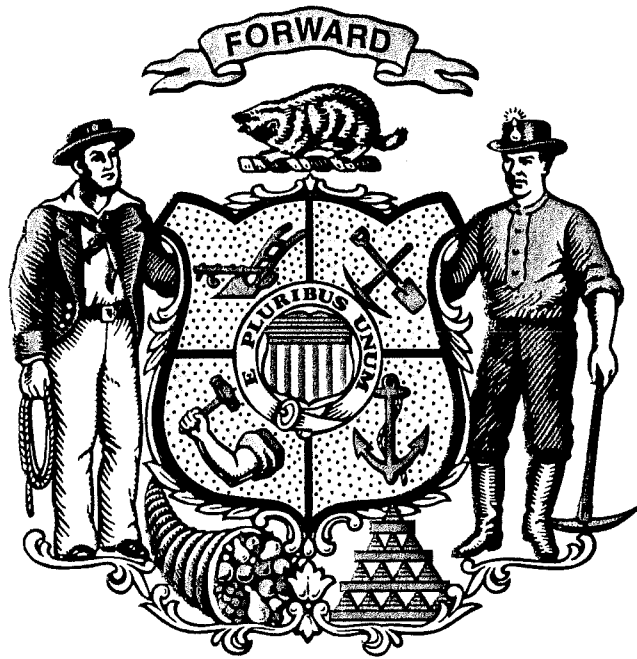
California, New Jersey, Hawaii and our neighbors in Minnesota have all acted in a bi-partisan way to adopt legislation to reduce global warming emissions. A number of other New England and Western states have formed regional agreements.

It is time for Wisconsin to act. We know global warming threatens the natural character and cultural identity of our state. Fortunately, we have all the tools necessary to address global warming. And, Wisconsin has the technical know-how and natural advantages to be able to address the problem and benefit by using more wind, solar, bio-fuels, as well as maximizing our energy efficiency.

There is no more profound a problem we face than global warming. It is critical the legislature act to ensure Wisconsin reduces global warming emissions in line with levels scientists recommend to avoid the worst impacts of the problem.

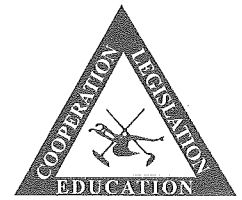
On behalf of Wisconsin Environment, I strongly encourage the Senate Committee on Environment and Natural Resources to vote to recommend passage of the Wisconsin Safe Climate Act.

Thank you.





**Testimony of Wisconsin Farmers Union
on behalf of WFU membership**



Presented by WFU Board Member Patty Edelburg to the

**Wisconsin State Senate Environment & Natural
Resources Committee**

Tuesday, September 25, 2007

Madison, WI

Senator Miller and members of the Senate Environmental and Natural Resources Committee, thank you for this opportunity to comment on the Wisconsin Safe Climate Act, Senate Bill 81. I am Patty Edelburg of the Wisconsin Farmers Union, here on behalf of WFU President Sue Beitlich and our members.

In addition to being a member of the Wisconsin Farmers Union board of directors, I am a fourth generation dairy farmer from Scandinavia, Wisconsin, in Portage County. In my part of the state, climate change is having a visible effect on agriculture. Farmers continue to suffer from weather-related disasters, each year seemingly worse than the one before. Weather has become more unstable and unpredictable, and for farmers, who rely so much on the weather, this is a serious issue.

Over the last several years, many farmers have had to feed their winter hay in late summer and early fall, due to the serious drought conditions we've experienced throughout the state. This process then creates feed shortages in the winter and extra expenses for farmers during the cold months.

One glaring example of weather unpredictability is the recent drought disaster in many western Wisconsin counties, followed by sudden flooding disasters in several of those same counties. Again, as farmers, we rely on the weather for our livelihoods, and climate change has an enormous impact on our ability to compete in the marketplace.

Wisconsin Farmers Union supports the Wisconsin Safe Climate Act, and is pleased that it provides for a "cap-and-trade" type system, which draws on the power of the market to reduce pollution in a cost-effective and flexible manner. This type of system was first applied to air pollutants through the Clean Air Act amendments, which established a cap-and-trade system to limit emissions of sulfur dioxide, the primary cause of acid rain. The program was a tremendous success, allowing companies to reduce their emissions at a fraction of the expected cost. Using this approach to reduce emissions of heat-trapping gases would help curb global warming at the lowest possible cost.

Wisconsin Farmers Union is pleased that the Wisconsin Safe Climate Act includes this type of flexibility for reducing greenhouse gas emissions. The bill contains rules on market-based compliance mechanisms, which include arrangements that allow sources to satisfy emissions cap requirements by buying emission credits from a source, which may be outside the state, that reduces its emissions by more than is otherwise required. While the bill allows for emission

credits from sources outside the state, Wisconsin Farmers Union would like to see those sources limited to within the United States.

A key advantage of a cap-and-trade system over other emission reduction strategies is that it gives companies the flexibility to achieve their emission targets in the most affordable way possible, while setting a clear limit on overall emissions. Since the cap is fixed, the environmental outcome is guaranteed.

Agriculture has an important role to play in developing solutions to climate change and its global impact. Farmers Union is doing its part to help facilitate the trading of carbon emissions credits through Farmers Union's Carbon Credit Program, a voluntary program that allows agricultural producers and landowners to earn income by storing carbon in their soil through no-till crop production, long-term grass seeding practices, forestry, and methane capture projects.

Carbon storage, or "sequestration", helps reduce carbon dioxide emissions. Carbon dioxide is one of six "greenhouse gases" that trap heat in the atmosphere, producing an increase in the temperature of the earth or "global warming," according to scientists. Farmers Union has earned approval from the Chicago Climate Exchange to aggregate carbon credits. Farmers Union enrolls producer acreages of carbon projects into blocks of credits that are traded on the Exchange, much like other agricultural commodities are traded.

Large companies and other entities purchase credits daily on the Exchange to offset their own carbon emissions into the atmosphere. Some have signed on to the Kyoto Treaty and are required to reduce emissions or buy offsetting credits. Once the credits are sold, producers earn income based on the acres they have enrolled.

According to the National Energy Information Center, greenhouse gases have increased by about 25 percent since large-scale industrialization began around 150 years ago. In the U.S., greenhouse gas emissions occur mostly from energy use driven largely by economic growth, electricity generation, and weather patterns affecting heating and cooling needs. Globally, the U.S. represents only four percent of the world's population, yet produces about 25 percent of carbon dioxide emissions from burning fossil fuels.

There is growing public concern that global climate change may be responsible for more severe hurricanes, shrinking polar ice and glaciers, droughts and floods, and other disruptions in our climate. Increasing energy prices are also peaking the public's interest in renewable fuels, alternative energy sources, energy conservation, and other practices that reduce greenhouse gas emissions. As stewards of the land, Farmers Union members want to help protect the environment and our natural resources.

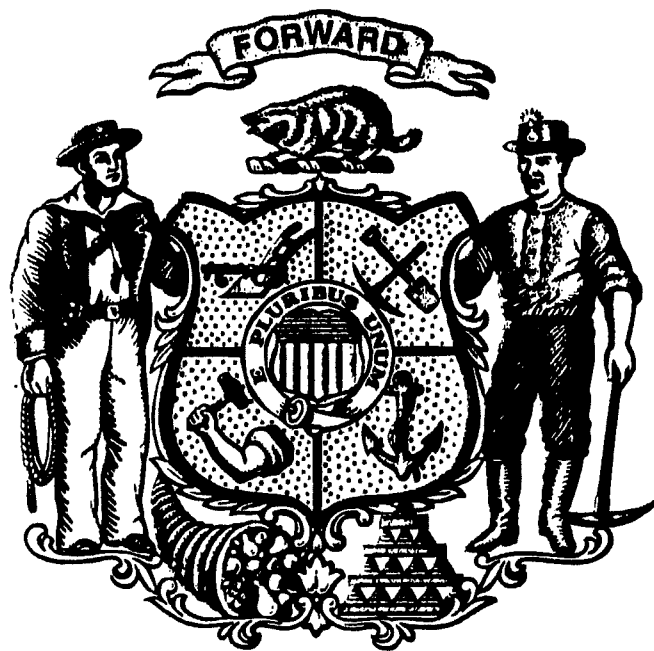
In the greenhouse gas debate, the concept of emissions caps and higher costs of carbon offsets may eventually provide the incentives to more efficiently use energy, similar to the successes of the aforementioned Clean Air Act amendments in reducing acid rain. In addition, increased energy efficiency and possibly the hydrogen economy may further reduce carbon emissions.

In the meantime, if agricultural producers can adopt economically successful and environmentally sound land management practices that reduce or offset carbon emissions, and can get paid for it, it creates a "win-win" for all involved, with the biggest beneficiaries being our environment and our land.

We are encouraged by the long-term vision of the Wisconsin Safe Climate Act, and we urge the

Wisconsin State Legislature to pass this important legislation and help lay the foundation for a bright environmental future for our great state of Wisconsin.

Again, thank you for allowing us the opportunity to present our support for a healthier environment and for the Wisconsin Safe Climate Act. Wisconsin Farmers Union looks forward to continuing to work with all our legislators as we partner to build a promising future for agriculture in our state.





Wisconsin Manufacturers & Commerce

Wisconsin Manufacturers'
Association • 1911
Wisconsin Council
of Safety • 1923
Wisconsin State Chamber
of Commerce • 1929

James S. Haney
President

James A. Buchen
Vice President
Government Relations

James R. Morgan
Vice President
Marketing & Membership

Michael R. Shoys
Vice President
Administration

TO: Senate Committee on Environment & Natural Resources
FROM: Scott Manley, Environmental Policy Director
DATE: September 25, 2007
RE: Senate Bill 81 - Greenhouse Gas Regulation

Wisconsin Manufacturers & Commerce (WMC) is opposed to the approach taken in Senate Bill 81 to achieve reductions in greenhouse gas (GHG) emissions, and respectfully requests that members of the Senate Committee on Environment & Natural Resources oppose this bill.

WMC is the state's largest business trade association, with over 4,000 members in the manufacturing, service, health care, retail, energy and insurance sectors of our economy. WMC is dedicated to making Wisconsin the most competitive state to do business in the nation, and toward that goal, we support consistent, cost-effective and market-driven regulatory approaches that recognize a balance between environmental protection and the competitiveness Wisconsin's jobs and economy.

Before discussing the specifics of Senate Bill 81, it is important to place into perspective the significance of manufacturing to Wisconsin's overall economy. There are more than 500,000 workers in Wisconsin's manufacturing sector, and more than 10,000 manufacturing businesses statewide. These jobs, which include both union and non-union workers, pay among the highest wages in our workforce, with salaries averaging over \$44,000 per year.

Manufacturing is a critical component of our economy, and accounts for more than \$44 billion in economic output each year -- nearly one-fourth of all goods and services in our state. In 2005 alone, Wisconsin manufacturers exported more than \$14 billion in goods to other countries. Hundreds of thousands of Wisconsin families depend either directly or indirectly on a healthy manufacturing sector for their livelihood.

For these reasons, it is critically important that policymakers, however well-intended, avoid adopting laws that threaten the economic health and competitiveness of manufacturing in Wisconsin. WMC is concerned that Senate Bill 81 would lead to that unintended result if it became law in our state.

There is significant risk associated with implementing broad-based GHG emission mandates in Wisconsin without an economy-wide federal regulation in place. Forcing a costly state-only regulatory burden on Wisconsin businesses would create an un-level playing field and place

501 East Washington Avenue
Madison, WI 53703-2944
P.O. Box 352
Madison, WI 53701-0352
Phone: (608) 258-3400
Fax: (608) 258-3413
www.wmc.org

our industries at a competitive disadvantage relative to companies in other states that do not face similar costs.

Equally important to a level national playing field is the need for a level international playing field. Our country's trade imbalance with China exceeded \$260 billion last year, and has increased 15% already this year. At the same time, China has become the number one emitter of carbon emissions, and is adding a new coal-fired power plant every week. Placing costly and stringent regulations on Wisconsin companies in the absence of addressing Chinese emissions will only exacerbate our trade imbalance, and weaken our manufacturers' position in the global economy. The federal government, rather than state government, has an opportunity to ensure the involvement of each of the United States' trading partners, including China. For this reason, mandatory regulation should only occur at the federal level of government.

Unfortunately, Senate Bill 81 proposes the type of harmful mandatory regulations that Wisconsin should seek to avoid. Indeed, the bill would target manufacturers for a "double hit," whereby employers would be subject to both direct and indirect regulatory costs. That is, manufacturers would face direct costs associated with regulation of their own GHG emissions, but perhaps more significantly, would face substantial indirect cost increases through higher electric rates resulting from regulation of GHG emissions at electric utilities. For most companies, these higher costs simply cannot be passed along to customers in the form of higher prices for goods. Intense competition has created increasingly slim margins between success and failure in today's national and international marketplace. Wisconsin companies therefore cannot remain viable if they are forced to bear these costs.

The adverse impact of higher electric rates resulting from state-only GHG regulations on utilities cannot be overstated. Despite significant efforts by industry to conserve energy and implement conservation measures, electricity continues to be a significant portion of manufacturing production costs. Indeed, industry is the largest consumer of electric generation in Wisconsin, surpassing both residential and commercial users with roughly 38% of all electricity use.

The very nature of electric generation in Wisconsin is itself an important factor in any policy discussion of GHG emissions. Wisconsin utilizes significant levels of coal as an abundant and inexpensive means to generate electricity. Roughly 70% of all electric generation in Wisconsin comes from coal. By contrast, the State of California generates only 1% of their electricity from coal. This fact helps underscore why legislation like Senate Bill 81, which is patterned after what was deemed to be good policy for California, is not necessarily the right policy for Wisconsin.

Senate Bill 81 would require the Department of Natural Resources (DNR) to establish GHG emission baselines for the year 1990, and correspondingly, grants DNR broad authority to establish regulations to reduce Wisconsin GHG emissions to 1990 baseline levels by the year 2020. The bill requires these reductions to be quantifiable and verifiable.

As a practical matter, WMC believes Senate Bill 81 gives DNR the authority to regulate only stationary emission sources such as manufacturers and electric utilities. The bill does not appear to contemplate regulating the transportation, residential, commercial or agricultural sectors of our economy, which together account for roughly half of all GHG emissions. In this regard, Senate Bill 81 places an unfair and disproportionate regulatory burden on Wisconsin businesses and electric ratepayers.

Although the bill appears to specifically target manufacturers for mandatory emission reductions, it should be noted that direct industrial emissions account for only 13% of all GHG emissions in Wisconsin. Even if policymakers were willing to risk significant job loss resulting from stringent state-only industrial GHG emission regulations, the overall benefit of those reductions would necessarily be limited to a fraction of 13%.

According to recent data, Wisconsin industrial GHG emissions have declined 20% since 2000, and roughly 10% since 1997. Also relevant is the fact that GHG emissions from the transportation and commercial sectors grew nearly twice as fast as that of the industrial sector between 1990 and 2003 – yet Senate Bill 81 does not appear to regulate those emission sectors.

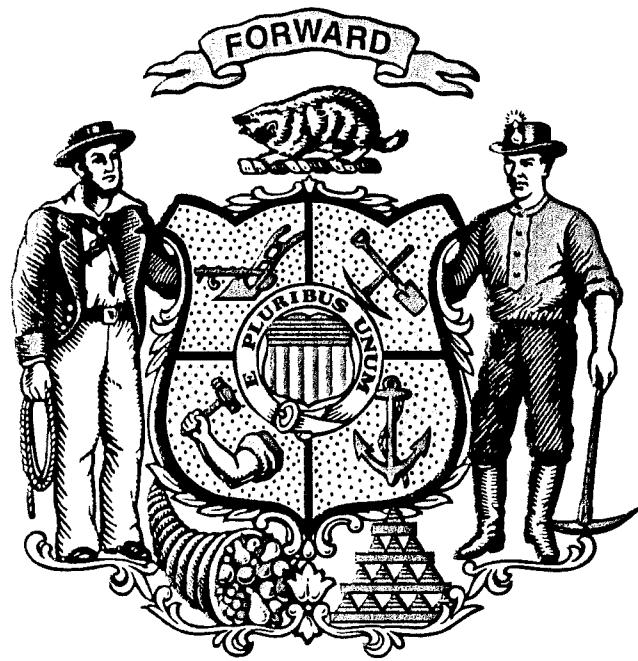
Although WMC believes Senate Bill 81 is the wrong approach in terms of meeting GHG emission targets, there is certainly a role for industry in reducing carbon emissions. As noted above, industry is the largest consumer of electricity, so energy efficiency and conservation measures undertaken by industry represent a significant opportunity to reduce Wisconsin's fossil fuel fired electric generation footprint.

Manufacturers have already taken important steps toward energy efficiency. During the 1990s, U.S. industry decreased its emission of greenhouse gases per unit of output at twice the rate of the rest of the economy. Today, the U.S. economy uses 46 percent less energy to produce each dollar of GDP than it used in the early 1970s. Manufacturers will continue to find ways to be more energy efficient, which reduces fuel use and CO2 emissions. However, in order to meet reductions targets, we need government to be a partner rather than a barrier.

Through voluntary and incentive-based programs, government can help industry meet GHG reduction targets by building upon existing energy efficiency initiatives. We have some of the most creative and successful companies in the world within our borders, and Wisconsin is therefore in a unique position to become a world leader in the research and development of cutting-edge technology to reduce carbon emissions. However, costly and stringent state-only regulations will work against a solution. Wisconsin manufacturers will have a difficult time meeting the challenge if we have one hand tied behind our backs with regulation that works against our competitiveness.

In conclusion, industry is prepared to undertake cost-effective, market-based and voluntary measures to reduce GHG emissions through energy efficiency and conservation. In this regard, WMC believes state government can play an important role by providing economic incentives and fostering a climate where innovation will succeed. To the extent that mandatory regulation is deemed necessary, the regulation must occur at the federal level of government to ensure a level playing field among competing states and nations. By contrast, stringent state-only regulations like those proposed in Senate Bill 81 will damage a critical component of Wisconsin's economy, resulting in significant job loss and economic dislocation. For these reasons, WMC urges Committee Members to oppose passage of Senate Bill 81.

Thank you for your thoughtful consideration of industry's position with respect to climate change legislation. Please feel free to contact me if you have any questions, or if I can provide you with additional information, at (608) 258-3400 or smanley@wmc.org.



To: Wisconsin Legislature

**From: Bill Skewes, Executive Director
Wisconsin Utilities Association**

Re: SB 81 Testimony

Date: September 25, 2007

Good morning Mr. Chairman and members of the Committee. My name is Bill Skewes and I am the Executive Director of the Wisconsin Utilities Association (WUA), representing Wisconsin's investor-owned gas and electric utilities. We appreciate the opportunity to testify today in opposition to SB 81 which, among other things, seeks to reduce greenhouse gas emissions by 2020 to 1990 levels.

The Wisconsin Utilities Association (WUA), urges you to consider a number of important factors involved in this truly global issue before forwarding any climate change legislation. WUA's member companies clearly recognize the growing concerns regarding the threat of climate change and, in fact, our industry has led all other industrial sectors in reducing greenhouse gas emissions. Through various programs and mechanisms such as the Wisconsin Voluntary Early Emission Reduction Registry, that commitment continues.

No matter what the ultimate path is, success in that mission – while maintaining a safe, reliable and affordable electricity supply – will require an aggressive and sustained commitment by the industry and policymakers to the development and deployment of a full suite of technology options, including:

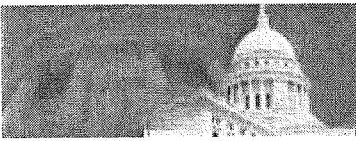
- An intensified national commitment to energy efficiency, including advanced efficiency technologies and new regulatory models;
- Accelerated development and cost effective deployment of demand-side management technologies and renewable energy resources; and
- Advanced clean coal technologies.

Although some of these options are currently available – albeit at a higher cost than conventional generation sources – many are not. All have different time horizons but all are critical to the dual goals of addressing greenhouse gas (GHG) emissions and maintaining a reliable, affordable electricity supply in a carbon-constrained world. In addition, because of the national and more importantly global nature of the issue, solutions are best considered at the federal level and should, in fact, require participation of the entire world economy.

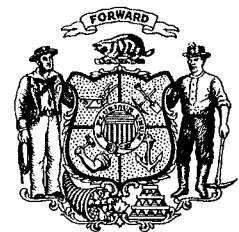
Based on policy principles of the national energy industry as a whole, WUA will continue to emphasize the importance of:

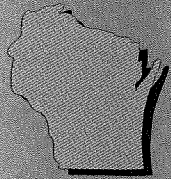
- A reliable, stable and reasonably-priced electric supply to maintain the competitiveness of the Wisconsin economy;
- A fuel-diverse generation portfolio to assure system reliability, energy security and price stability; and
- Solutions compatible with a market economy that deliver timely and reasonably priced greenhouse gas reductions.

As policy makers at all levels consider alternatives, WUA urges the Wisconsin Legislature to await the recommendations of the Governor's Global Warming Task Force before taking further action. Many stakeholders, especially the utility sector, have invested a significant amount of time and resources participating in this effort by providing technical expertise on the working groups and the Task Force in general which has helped to inform the discussion of this important issue. Thank you.



WISCONSIN STATE LEGISLATURE





WIEG

WISCONSIN INDUSTRIAL ENERGY GROUP

TODD STUART
Executive Director
WIEG

THOMAS G. SCHARFF
Board Chairman
Stora Enso

BOARD MEMBERS

CHRISTINE GEORGE
Air Liquide
Industrial U.S. LP

BERNARD MALNARICK
Airgas Merchant Gases

PAUL LANDON
Basic American Foods

BRUCE WILLIAMS
Remis Company, Inc.

ROBERT BEHNKE
Brillion Iron Works, Inc.

SHANE HENRIKSEN
ENbridge Energy, LP

TIM MORRIS
ERCO Worldwide

TRISH BOWLES
Georgia-Pacific

CAL KOOYENGA
Fairbanks Morse Engine

TARI EMERSON
Kohl's Department
Stores, Inc.

MICHAEL J. POTTS
Orion Energy Systems

BILL WARD
Procter & Gamble
Paper Products Co.

JOE MUEHLBACH
Quad/Graphics Inc.

TONY KARWOWSKI
S.C. Johnson & Sons, Inc.

JEFF LOEFFLER
ThyssenKrupp
Waupaca, Inc.

MIKE COLWELL
USG Interiors, Inc.

WIEG, INC.

To: Senate Committee on Environment and Natural Resources

From: Todd Stuart, Executive Director
Wisconsin Industrial Energy Group, Inc.

Re: Testimony in opposition to Senate Bill 81

Date: September 25, 2007

Thank you for the opportunity to present testimony on this important subject. The following comments are submitted on behalf of the members of Wisconsin Industrial Energy Group, Inc. (WIEG) in opposition to Senate Bill 81.

WIEG is a non-profit association of 30 large energy consumers that advocates for policies supporting affordable and reliable energy. Since the early 1970s, WIEG has been the premiere voice of Wisconsin ratepayers and an engine for business retention and expansion. Our member companies spend over \$200 million annually on electricity; they collectively employ more than 50,000 Wisconsin residents, who are themselves state taxpayers and utility ratepayers. WIEG members represent most major Wisconsin manufacturing industries, including paper, food processing, metal casting and fabricating.

Industrial customers are very concerned about the reliability of electricity at affordable rates. Rates have been rising in Wisconsin and elsewhere, but industrial rates rose faster in Wisconsin between 2000 and 2005 than in any other state in the Midwest, and actually surpassed the Midwest average in 2003. The Wisconsin economy will be at risk of job losses and electricity demand destruction, especially in the manufacturing sector, if rate increases are not managed effectively.

By our estimate, Wisconsin is currently facing \$13 billion in utility-related infrastructure costs over the next decade. Over half of this \$13 billion is due to government mandates for renewable energy and environmental compliance for air emissions standards (but not including Global Warming). The addition of \$1 billion each year to the electric rate base must result in double digit percentage rate increase requests in utility rate cases in the foreseeable future. Double digit rate increases would seriously harm our competitiveness and would lead to the loss of factories and jobs.

We represent some of the largest manufacturers and energy consumers in Wisconsin. Some WIEG member companies have monthly energy bills exceeding one million dollars and are extraordinarily sensitive to price changes. They conserve energy not only because it is the right thing to do, but also to reduce costs and survive economically.

WIEG believes Global Warming is a global problem. CO₂ is a global pollutant. It therefore needs a global solution. Under current law, state air emissions rules are generally no more stringent than the federal standards. WIEG believes this is sound public policy and we believe Global Warming legislation is best dealt with at the federal level. It does not make sense to make Wisconsin a regulatory island, especially when Wisconsin is part of an electricity market spread across 15 states and several Canadian provinces. Should Wisconsin adopt more stringent Global Warming regulations than the federal government, our members will be at a tremendous competitive disadvantage, and at a time that they are already facing fierce global competition and tremendous upward pressure on energy rates.

WIEG has the following concerns regarding SB 81:

First, we have serious concerns over the costs of SB 81. WIEG is not aware of any cost-benefit study or other research developed by the DNR, the PSC or state utilities to quantify the compliance costs of SB 81. No study has been done to evaluate the impact of SB 81 on electric reliability or electric rates.

However, we do know that Wisconsin's rates have been rapidly rising and will continue to do so. In the last four years alone the Public Service Commission has approved roughly \$6 billion in costs for new natural gas, coal and wind generation, new powerlines and new energy efficiency measures. This new investment has translated into 40% utility rate increases over the last five years.

Wisconsin utilities already plan to spend roughly \$4 billion to meet CAIR, CAMR and other federal air programs to dramatically reduce emissions. Preliminary PSC estimates are that the costs associated with CAIR and CAMR would amount to average increases of 9%-10% for Wisconsin customers. And these figures do not include costs to comply with a CO₂ mandate. Further, Wisconsin is already spending billions to meet the 10% Renewable Portfolio Standard by 2016. To meet the requirements of SB 81 and its even greater reductions targets, rates related to investments in new infrastructure, retrofits and fuel switching must rise dramatically.

Indeed, to meet 1990 levels of CO₂ by 2020, Wisconsin's coal-fired units will need to be either shut down completely or retrofitted with carbon capture and sequestration technology. There is really no other way of meeting these goals. However, the technology necessary to meet this goal is not yet commercially viable, and Wisconsin does not have the geologic formations necessary for carbon storage. In theory, we would need to build interstate pipelines down to Southern Illinois to bury the emissions underground - assuming the technology works by 2020.

This could strain Wisconsin's power grid and reliability, as it forces the premature shut down of coal-fired units that could no longer provide competitively priced electricity. With 60% - 70% of its generation coming from coal-fired plants, Wisconsin has one of the highest ratios of coal generation in the nation.

Wisconsin is part of an electricity market called the Midwest Independent Transmission System Operator (MISO). The MISO Day 2 market began on April 1, 2005. The economics and control of the dispatch of our power plants comes through the MISO system. Wisconsin ratepayers have already seen escalating costs because of this market. If our utilities are forced into producing higher priced electricity as will be the result of SB 81, the MISO market will be very unforgiving to Wisconsin customers. For large industrial consumers with energy bills of well over \$1 million per month, the rate impact will be significant.

Second, WIEG is concerned about the impacts of SB 81 on Wisconsin's overall economy. As a percentage of total employment, Wisconsin employs the second highest number of manufacturing workers in the U.S. Like other Midwest states, Wisconsin is struggling to cope with rapidly escalating energy costs and the loss of well-paying manufacturing jobs. Manufacturing jobs pay 26% more than the average wage for all private-sector workers.

Since 1999, Wisconsin has lost 100,000 manufacturing jobs during a time period when natural gas prices soared over 150%. Last year alone, Wisconsin lost 10,000 manufacturing jobs, a decline of about 1.5%. Wisconsin and the Midwest region are creating jobs at an anemic pace; currently we have the 5th lowest job growth in the country. Wisconsin was featured just last week in a story on aol.com called "Worst States for Job Growth."

As stated earlier, no state agency or utility has conducted a study on the electric reliability or electric rate impact of this bill. The Electric Power Research Institute (EPRI) estimates pending federal legislation could cost the economy between \$400 billion and \$1.8 trillion over the next four decades. In testimony before the House Energy and Commerce Subcommittee on Energy and Air Quality, the CEO of Virginia-based Old Dominion Electric Cooperative stated that the best-case estimates for carbon capture and sequestration would increase the cost of electricity 60-80% over current prices. He based his figures on an anticipated cost of \$27 per ton of CO₂, which he asserted will drive a 50% increase in the wholesale cost of electricity. If \$100 per ton of CO₂ was assumed, then wholesale prices would triple. We don't know what the impact would be if Wisconsin adopted laws separately from the federal legislation, but if the state becomes a regulatory island, one can assume the costs would be greater, especially with participation in the MISO market.

WIEG members use tremendous amounts of energy and some are extremely price sensitive for energy costs. Increased rates hurt their bottom lines. Should this trend continue, these companies could shift their production to other parts of the US or shift the production overseas.

There is already evidence of demand destruction happening in Wisconsin. Rates have gone up 40% statewide in the last 5 years. Many utilities are reporting 1% growth or less for their industrial customers. In their pending rate increase filing before the PSC, We Energies is requesting \$61 million (9% of their requested increase) for their sales forecast "revenue deficiency." This means the industrial sector is not expanding at normal growth rates. In other words, when the economy does not grow, utilities will request more revenue from all customers to make up for the difference. When jobs are lost, it means all customers -- including homeowners -- pay more for energy. This economic death spiral starts with large price increases.

SB 81 would enact emissions reductions that are "permanent, quantifiable, verifiable and enforceable." It would be very difficult to apply that definition to agriculture, waste, small businesses and the residential sector. That means emissions reductions on a statewide basis would be focused on the utilities and industrial sectors, which account for about half the CO2 emissions in Wisconsin. Our member companies would most likely be disproportionately bearing the costs, both directly and indirectly.

Third, it is important to point out that the utility industry is very different from other businesses. They are heavily regulated monopolies with billions in assets. Fundamentally changing the electric industry is not a process that can happen overnight. They say it takes several miles to turn around a battleship. The bill requires the DNR to have rules in place by 2013. However, utilities plan in 10 year horizons to get "iron in the ground." Meeting the 1990 emissions level by 2020 in one of the most coal-dependent states is going to be extremely difficult to achieve from a technical standpoint, even under best-case conditions.

Recommendation/Conclusion

Defer action based upon pending federal legislation. Nearly all observers believe Congress will act on Global Warming legislation either this session or next session. CO2 is a global problem and should be addressed at the federal level and through international framework agreements. This is our most preferred policy option, as it provides a level playing field for all of our member companies.

Allow the Governor's Task Force on Global Warming to complete its work. The Task Force is currently working on these issues and expects to wrap up near the end of 2007. Experts from all around the state are involved. WIEG's board chairman serves on the Task Force. Several WIEG member companies serve on the various subcommittees. We should allow key stakeholder input to tailor recommendations for our state's unique characteristics.

Study SB 81's impact on electric reliability and rates. A bill of this magnitude should be given a thorough analysis. Lawmakers should be aware of the economic consequences of SB 81 before taking executive action.

Amend SB 81 with safeguards to protect consumers. WIEG believes that further “off-ramps” or “safety valves” should be incorporated into SB 81 to mitigate the negative rate impact. Consumers would also be protected by addressing the real world barriers to the implementation of the legislation.

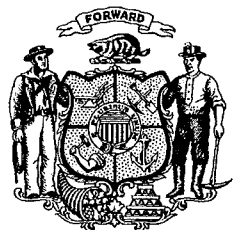
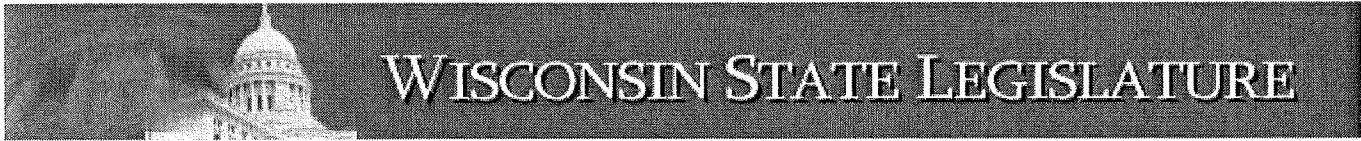
You may recall that last session Governor Doyle and the Legislature came together on 2005 Act 141, the energy efficiency and renewables act. The overall intent of the law was to not only promote energy conservation, but to ultimately control, or even drive down, the cost of electricity and natural gas. The authors were very explicit in identifying their concern that the legislation should have a hold harmless impact on Wisconsin ratepayers. WIEG was supportive of the new law, and all of the members of this committee voted for it last session.

Under Act 141 off-ramps, the PSC shall grant a delay in the implementation of the renewables mandates for the following reasons:

- Undesirable impacts on electric reliability
- Unreasonable increases in electric rates
- Delays in receiving the required siting or permitting approvals
- Transmission constraints that interfere with the economic and reliable delivery of renewable energy

Finally, cost studies are performed regularly for the utilities' compliance with the renewable portfolio standard and consumers can petition the PSC if they feel rates are rising too fast (Wis. Stat. 196.378 (2) (g) 2). WIEG believes that all the off-ramps provided in Act 141 should be included in an amendment to SB 81.

WIEG advocates for policies that drive affordable and reliable energy. Energy, economic development and environmental policy are all inextricably linked together. Under SB 81, we would be at a tremendous competitive disadvantage. WIEG members are already facing fierce global competition and tremendous upward pressure on energy rates. These are very real costs that will have very real economic consequences.



Lauren Crane
Statement in support of the Safe Climate Act
September 25, 2007

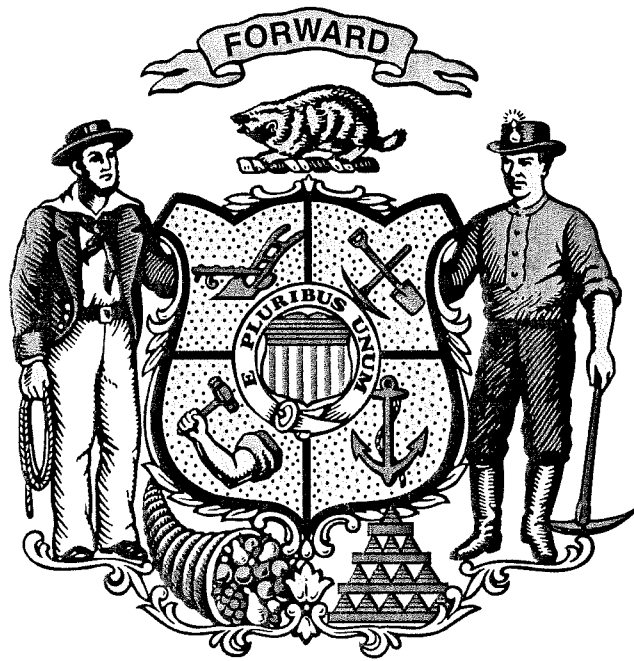
SB 81
file

Good morning. My name is Lauren Crane and I am a student at the University of Wisconsin.

I'm here this morning to register and speak in support of the Safe Climate Act. This bill is a real and quantifiable step towards a global warming solution in Wisconsin. Not only is it achievable, the Safe Climate Act will have a positive impact on Wisconsin's economy by employing home-grown technologies like biomass. Money we currently export to buy fuel from other states and countries could be much better spent here at home. Additionally, the Safe Climate Act will help America achieve energy independence and enrich our own industries rather than supporting oil-producing nations overseas.

But the reason I'm here is because I want Wisconsin to remain as it is – a state of natural beauty, outdoor recreation, and agricultural industry. And I want it to remain so not only in my own lifetime, but in my children's lifetimes as well. And this simple desire is truly at stake. That's all we're fighting for, really. The right to live in the Wisconsin we love, and show our children that same Wisconsin.

This is why I'm asking you to support the Safe Climate Act. So many of the things that make Wisconsin great are at risk and we cannot afford to wait any longer.



Safe Climate Act Public Hearing

Testimony of Scott R. Dettman

September 25, 2007

SB 81
file

Hello, and thank you for providing me the opportunity to speak today. I am a junior studying political science and comparative literature at UW-Milwaukee. Currently I am Coordinating a non partisan political campaign for WISPIRG. This campaign is promoting the idea of civic engagement among the youth of America, by addressing Presidential Candidates directly and asking them What Their Plan is to solve some of the major issues that young people care about, perhaps the very largest issues being global warming. I was offered this position this past summer when I had the opportunity as well as the privilege to work, raising funds and spreading awareness, for environmental organizations like WISPIRG and Wisconsin Environment. While doing this work I learned a great deal about the pressing and frightening environmental issues that we face in our state, nation, and world. It was with this understanding and heightened sense of awareness that I came to grips with the harsh yet undeniable reality, that the problem of global warming or global climate change, is not the problem of future generations but rather the most pressing issue facing our society today. As a people, we find ourselves at a very important crossroads. If we do not act we may for the first time, since the early stages of man, find ourselves entangled in wars not rooted in ideals and differing customs, but rather, wars over the water that we drink and that the air that we breathe. It is at this time in our history that we possess not only the ability for progress, but also the capacity. It is at this time that we not only know the problem, but also the solution. Therefore, as a concerned citizen of this state, nation, and this world I call upon our leadership, our servants of the public. To take this opportunity and assume the

responsibility of leading us into a better, safer, and sustainable tomorrow, by endorsing the Safe Climate Act today.

Thank you,

Scott R. Dettman