

 **09hr\_SC-ED\_sb0651\_pt01**



Details:

(FORM UPDATED: 08/11/2010)

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

**2009-10**

(session year)

**Senate**

(Assembly, Senate or Joint)

**Committee on ... Economic Development (SC-ED)**

**COMMITTEE NOTICES ...**

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

**INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL**

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

\* Contents organized for archiving by: Gigi Godwin (LRB) (July/2011)

## Senate

### Record of Committee Proceedings

#### **Committee on Economic Development**

##### **Senate Bill 651**

Relating to: loans to manufacturing businesses for energy improvements, job creation, retooling, or clean energy production; the administration of energy utility programs; providing an exemption from emergency rule procedures; requiring the exercise of emergency rule-making procedures; and making appropriations.

By Senators Lassa, Holperin, Lehman, Taylor, Kreitlow and Vinehout; cosponsored by Representatives Mason, Molepske Jr., Grigsby, Shilling, Vruwink, Turner, Zepnick, Fields and Berceau.

March 26, 2010      Referred to Committee on Economic Development.

April 8, 2010      **PUBLIC HEARING HELD**

Present:    (6)    Senators Lassa, Lehman, Vinehout, Kreitlow, Darling and Leibham.

Absent:    (1)    Senator Kanavas.

##### Appearances For

- Julie Lassa — Senator, 24th Senate District
- Zach Brandon — Wisconsin Department of Commerce

##### Appearances Against

- None.

##### Appearances for Information Only

- None.

##### Registrations For

- Cory Mason — Representative, 62nd Assembly District
- Joanne Ricca, Milwaukee — Wisconsin State AFL-CIO
- Joel Haubrich, Milwaukee — Wisconsin Energy Corporation

##### Registrations Against

- None.

##### Registrations for Information Only

- None.

April 13, 2010

**EXECUTIVE SESSION HELD**

Present: (7) Senators Lassa, Lehman, Vinehout, Kreitlow, Kanavas, Darling and Leibham.

Absent: (0) None.

Moved by Senator Kreitlow, seconded by Senator Vinehout that **Senate Substitute Amendment 1** be recommended for adoption.

Ayes: (7) Senators Lassa, Lehman, Vinehout, Kreitlow, Kanavas, Darling and Leibham.

Noes: (0) None.

**ADOPTION OF SENATE SUBSTITUTE AMENDMENT 1 RECOMMENDED,**  
Ayes 7, Noes 0

Moved by Senator Kreitlow, seconded by Senator Lehman that **Senate Bill 651** be recommended for passage as amended.

Ayes: (6) Senators Lassa, Lehman, Vinehout, Kreitlow, Kanavas and Leibham.

Noes: (1) Senator Darling.

**PASSAGE AS AMENDED RECOMMENDED,** Ayes 6, Noes 1

Mark Knickelbine  
Committee Clerk

## Vote Record Committee on Economic Development

Date: 4/13/10

Moved by: Kreitlow

Seconded by: Lehman

AB \_\_\_\_\_ SB 651 Clearinghouse Rule \_\_\_\_\_  
 AJR \_\_\_\_\_ SJR \_\_\_\_\_ Appointment \_\_\_\_\_  
 AR \_\_\_\_\_ SR \_\_\_\_\_ Other \_\_\_\_\_

A/S Amdt \_\_\_\_\_  
 A/S Amdt \_\_\_\_\_ to A/S Amdt \_\_\_\_\_  
 A/S Sub Amdt \_\_\_\_\_  
 A/S Amdt \_\_\_\_\_ to A/S Sub Amdt \_\_\_\_\_  
 A/S Amdt \_\_\_\_\_ to A/S Amdt \_\_\_\_\_ to A/S Sub Amdt \_\_\_\_\_

Be recommended for:  
 Passage     Adoption     Confirmation     Concurrence     Indefinite Postponement  
 Introduction     Rejection     Tabling     Nonconcurrence

<u>Committee Member</u>	<u>Aye</u>	<u>No</u>	<u>Absent</u>	<u>Not Voting</u>
<b>Senator Julie Lassa, Chair</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Senator John Lehman</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Senator Kathleen Vinehout</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Senator Pat Kreitlow</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Senator Ted Kanavas</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Senator Alberta Darling</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Senator Joseph Leibham</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Totals:</b>	<u>6</u>	<u>1</u>	_____	_____

Motion Carried

Motion Failed

## Vote Record Committee on Economic Development

Date: 4/13/10

Moved by: Kmit                      Seconded by: Vine

AB \_\_\_\_\_ SB 651                      Clearinghouse Rule \_\_\_\_\_  
 AJR \_\_\_\_\_ SJR \_\_\_\_\_                      Appointment \_\_\_\_\_  
 AR \_\_\_\_\_ SR \_\_\_\_\_                      Other \_\_\_\_\_

A/S Amdt \_\_\_\_\_  
 A/S Amdt \_\_\_\_\_ to A/S Amdt \_\_\_\_\_  
 A/S Sub Amdt 1 \_\_\_\_\_  
 A/S Amdt \_\_\_\_\_ to A/S Sub Amdt \_\_\_\_\_  
 A/S Amdt \_\_\_\_\_ to A/S Amdt \_\_\_\_\_ to A/S Sub Amdt \_\_\_\_\_

Be recommended for:  
 Passage     Adoption     Confirmation     Concurrence     Indefinite Postponement  
 Introduction     Rejection     Tabling     Nonconcurrence

Committee Member	Aye	No	Absent	Not Voting
<b>Senator Julie Lassa, Chair</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Senator John Lehman</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Senator Kathleen Vinehout</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Senator Pat Kreitlow</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Senator Ted Kanavas</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Senator Alberta Darling</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Senator Joseph Leibham</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Totals:</b>	<u>7</u>	<u>0</u>	_____	_____

Motion Carried                       Motion Failed



**Wisconsin State AFL-CIO** ...the voice for working families.

David Newby, President • Sara J. Rogers, Exec. Vice President • Phillip L. Neuenfeldt, Secretary-Treasurer

To: Senate Economic Development Committee Members  
From: Phil Neuenfeldt, Secretary-Treasurer  
Date: April 8, 2010

Re: **Support for Senate Bill 651: Green to Gold Fund**

We will not be able to testify at the hearing today but want to convey our strong support for SB 651. This legislation takes a substantial step forward in promoting a clean energy economy for our state. SB 651 creates a revolving loan fund to help manufacturers secure the capital needed to retrain workers and retool factories for production related to the developing green economy. Manufacturing plays a large role in Wisconsin's economy, employing 16% of the state's workers.<sup>1</sup> The *Green To Gold Fund* not only helps move the state toward a clean energy future, it also makes a long-term commitment to help expand our vital manufacturing sector with its family-sustaining jobs.

According to the Center on Wisconsin Strategy and the Apollo Alliance:<sup>2</sup>

“Wisconsin, in particular, has the potential to become a key part of the future clean energy supply chain. The Renewable Energy Policy Project identified 1,331 firms in Wisconsin that are primed to produce component parts for wind turbines, solar panels, biomass co-firing systems, and the other renewable energy technologies that will power the clean energy economy. New investments and new markets for clean energy technologies could help these firms create over 35,000 new jobs in the state, in occupations ranging from production workers to machinists, welders, boilermakers, and technicians, among others.”

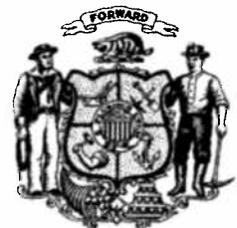
The skill, quality and productivity of the Wisconsin workforce are a tremendous asset for our state, especially when competing in the global economy. SB 651 will help ensure that our state's manufacturers and quality workforce will not sit on the sidelines of green innovation. We urge your support.

1 *Industries at a Glance: Manufacturing*. Bureau of Labor Statistics (2009); Agenda for a Shared Prosperity, Economic Policy Institute (2009).

2 “*Mapping Green Career Pathways: Job Training Infrastructure and Opportunities in Wisconsin*”, Apollo Alliance and Center on Wisconsin Strategy, January 2010



# WISCONSIN STATE LEGISLATURE



## Remarks

Senate Committee on Economic Development

April 8, 2010, 10:00 a.m.

Room 300 South East, State Capitol

Madison, WI

Chairperson Lassa . . . and members of the Senate Committee on Economic Development . . . thank you for the opportunity to testify in support of Senate Bill 651. The Green to Gold fund, initially proposed by Governor Doyle in his 2010 State of the State Address, provides a long-term pledge to Wisconsin manufacturers that the state is focused on creating, and retaining jobs, and making sure that Wisconsin's companies are competitive in the emerging global economy.

The Green to Gold fund creates a one-stop shop at the Department of Commerce for manufacturers by streamlining federal dollars . . . and by refocusing existing and future state resources to help industrial manufacturers find savings through energy efficiency projects. These savings will make Wisconsin's manufacturers more competitive and profitable by reducing their production costs.

The Green to Gold fund will also provide incentives to companies to take advantage of emerging renewable energy markets. It will help companies in retooling . . . training workers . . . research and development . . . expanding or establishing domestic clean energy manufacturing operations . . . developing sustainable

manufacturing practices. . . and in becoming more energy efficient.

By using a revolving loan fund as its primary mechanism, the Green to Gold fund creates a legacy program for Wisconsin's industrial manufacturers, using a self-replenishing pool of money that utilizes interest and principal payments on old loans to issue new ones. Many of Wisconsin's companies are eager to invest in energy efficiency technologies and clean energy manufacturing, but they are unable to do so due to a lack of capital. These low-interest loans will improve the competitive position of Wisconsin manufacturers, allowing them to grow, hire new workers, and see energy cost savings.

As we all know, Wisconsin has a long history of a strong manufacturing sector. We lead the nation in the percentage of the population employed in the manufacturing sector. Wisconsin also leads the nation in green job creation potential. The Green to Gold fund will propel Wisconsin's manufacturing sector into the future making it even more competitive with the rest of the nation.

The production requirements for the renewable energy component of manufacturing draw heavily on the skills represented in Wisconsin's traditional manufacturing base. The demand for renewable energy will continue to increase . . . this bill positions Wisconsin as a leader in manufacturing renewable energy.

Commerce will work with the Wisconsin Manufacturing Extension Partnership (WMEP) to assist small and medium-sized manufacturers move into the clean energy economy and achieve profitable sustainability. The joint project will identify 50 smaller firms, and help them use sustainable practices to save money and gain a competitive edge.

Senate Bill 651 provides for greater collaboration and coordination between the Public Service Commission and the Department of Commerce. This will ensure that utility-funded statewide energy efficiency and renewable resource projects are working together to be as effective as possible and achieve greater savings.

The Green to Gold fund also positions Wisconsin as an early adopter of the proposed federal IMPACT (Investments for Manufacturing Progress and Clean Technology) program. It will increase Wisconsin's chances of securing new federal dollars that can further support the fund's efforts.

Finally, although the Green to Gold fund is a stand-alone initiative, it complements ongoing legislative efforts to support job growth, such as the legislative jobs package and the Clean Energy Jobs Act.

### Summary and Conclusion

This legislation is crucial to the future of our state. It addresses the goals of job retention, job creation and

ensuring that Wisconsin companies are competitive in the new economy. By investing in energy efficiency and renewable energy, the state is making a commitment to Wisconsin manufacturers that the state is focused on creating jobs and increasing their competitiveness. Commerce supports this initiative and looks forward to working with you to help Wisconsin become the nation's leader of sustainable manufacturing.

Thank you for the opportunity to speak with you today.

I will be pleased to respond to your questions.



# WISCONSIN STATE LEGISLATURE





# **JULIE LASSA**

## **STATE SENATOR**

**Senate Bill 651**  
**Senate Committee on Economic Development**  
**Thursday, April 8, 2010**  
**10:30 AM**  
**Room 300 Southeast**

**Committee Members:**

Senate Bill 651, which establishes the Green to Gold Fund, addresses a critical need as Wisconsin is poised for economic recovery and the state's emergence into the new green energy economy. Currently, many companies want to build new facilities or retrofit current facilities to achieve greater energy efficiency, which in turn will decrease their operating expenses and improve their overall profitability. Still other companies would like to retool their facilities to take advantage of the growing demand for sustainable energy and the various products and equipment needed to produce it. And the growing consumer demand for environmentally friendly products in all sectors of the economy has companies eyeing new products and processes.

The ability of these Wisconsin companies to move ahead with these initiatives will be a key factor in determining how quickly our state's economy recovers from the current recession. As the most recent State of Green Business report published by GreenBiz.com reports, 86% of companies surveyed said that their spending in green product development will grow in 2010. Despite a severe global recession, there were a record number of clean energy patents issued in 2009. Another sector bucking the global trend was green computer technology, sales of which actually grew by more than a third last year. Similarly, while the rest of the building industry was stalled, the number of energy-efficient LEED buildings constructed in 2009 grew by nearly 58 percent. The demand for products, services and power to feed this growing demand will be a central driver in the economic growth of Wisconsin and the rest of the nation in the coming years.

There are shuttered factories in the state right now that could be reopened again if resources were available to help. For example, in my district, there are paper manufacturing facility whose pulp making equipment can be readily adapted to produce biofuels from wood waste and other biomass sources. A group of civic leaders in Port Edwards are exploring the possibility of converting the shuttered Domtar pulp mill to biofuel production as the heart of a green business park that would receive all of its power through renewable sources. Similar projects are on the drawing boards of companies all over the state.

Unfortunately, these companies face the hard reality of the most difficult business lending market in a generation. If Wisconsin is to ensure that we achieve our potential share of this burgeoning market, we must act now to help these innovative companies find the capital they need to lay the foundation for our mutual economic success.

Senate Bill 651 authorizes the Department of Commerce to make loans to manufacturing businesses for implementing energy efficiency measures in their facilities, retooling to manufacture products that support the green economy, expanding or establishing domestic clean energy manufacturing, and for creating jobs or retaining workers engaged in these areas. This Green to Gold Fund, first proposed by Governor Doyle in his 2010 State of the State Address, will operate primarily as a revolving loan fund, ensuring that Wisconsin's

commitment to industry is long-term and sustainable. The fund commits to using the state's existing and future State Energy Program funding, future funding for the Wisconsin Energy Independence Fund, and positions Wisconsin as an early adopter of the proposed federal IMPACT program, increasing our state's chances of securing new federal dollars that can further support the Green to Gold Fund's efforts. This fund will help businesses avoid the current maze of federal and state green energy assistance resources by providing a single point of entry to help manufacturers convert to green energy consumption or production. In addition, this bill contains statutory alignments to help utility-funded programs more strongly support Wisconsin's industrial manufacturers.

Because this bill repurposes state funds and leverages federal funding for green energy products, it does not place additional strain on tight state resources. By creating a revolving loan fund, we insure that this program will be self-sustaining. The loan payments received from the businesses participating in the Green to Gold Fund will come back to be used again and again, creating new jobs and strengthening Wisconsin's economy well into the future. And the bill contains provisions to ensure that these will be good-paying, family supporting jobs, jobs that will stay here in Wisconsin.

While we build this new economic sector, we also make our businesses more efficient and profitable. We reduce Wisconsin's dependence on imported energy sources. We help meet the state's goals to reduce greenhouse gas emissions and other pollution associated with fossil fuels.

The tremendous potential of the Green to Gold Fund is why Governor Doyle has made it one of the cornerstones of his legislative jobs initiatives. It will help position Wisconsin for a stronger, more robust economic recovery, create good new jobs, and continue Wisconsin's emergence as a leader in the green energy economy. I urge committee members to give it their support.