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Details:

(FORM UPDATED: 08/11/2010)

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

2009-10

(session year)

Senate Select

(Assembly, Senate or Joint)

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

COMMITTEE NOTICES ...

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

INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

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

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



Wisconsin Property Taxpayers, Inc.

P.O. Box 1493 Madison, WI 53701

608 255-7473 / 800 994-9784

TO: All Legislators
FROM: Michael M. Birkley, Legislative Director
DATE: April 1, 2010

WPT OPPOSES PROPERTY TAX RAISING PROVISION OF SB-450/AB-649

SB-450 and AB-649, the global warming bills currently under consideration contain a provision that would create an exception to local levy limits for amounts spent by local governments on energy efficiency measures to be defined by administrative rule.

While we do not contest the State's right to mandate and encourage local governments to implement every available measure to conserve energy and reduce emissions related to global warming, we do not believe that local property taxpayers should be required to foot the bill for this or any other initiative adopted as a matter of state policy.

Local property taxpayers already pay more for school and local government services than the taxpayers in all but a handful of more affluent states. This provision of the Global Warming Initiative could significantly increase Wisconsin's property tax burden.

For that reason we urge you to delete Section 23 of AB-649 and Section 24 of SB-450, the Global Warming bills before you.

#



WAUSAUPAPER

April 8, 2010

Senator Jeffrey Plale – Co-Chair
Select Committee on Clean Energy
Room 313 South
State Capitol
PO Box 7882
Madison, WI 53707-7882

Senator Plale,

The pending action on the Global Warming Legislation is of great concern to the general business climate of Wisconsin. I am the Vice President of Operations for the Paper Segment of Wausau Paper Corp. I have 1,604 good paying Paper Industry manufacturing jobs directly under my watch and a number of other forest products and service businesses within Wisconsin support us.

I urge you to oppose the pending Global Warming Legislation, **Senate Bill 450**. The impact of this legislation will be significantly increased energy costs in the state of Wisconsin and I am very concerned that it will threaten the long-term viability of my industry, the paper industry, that it will discourage Wisconsin manufacturers from making additional capital investment in our state, and that it will discourage new businesses from locating to Wisconsin. I am particularly concerned about the 25% renewable energy standard and its impact on electric rates.

Many of our families and businesses are struggling to make ends meet and this legislation will hit our economy with sweeping new regulations and higher electrical costs at a time when we can least afford it. We cannot afford to worsen our situation with expensive new regulations that will make Wisconsin's business climate less competitive and make it more difficult for Wisconsin employers to create jobs at a time when we need them most.

I respectfully urge you to oppose Senate Bill 450.

Sincerely,



Jeffrey A. Verdoorn
Vice President Operations
Wausau Paper





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651.228.0213 fax 651.228.1184
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MEMO

TO: Members of the Wisconsin Legislature
FROM: Wisconsin's Cooperatives
RE: Electric Rates and the Clean Energy Jobs Act
DATE: Tuesday, April 13, 2010

SB 450?

Last Thursday, WisPolitics quoted Senator Decker saying “Whatever comes out of that [clean energy] committee, one of the things they cannot do is raise utility rates.” Cooperative Network won’t presume to put words in the Majority Leader’s mouth; we are nonetheless reassured that he is concerned about issues this organization raised as the Clean Energy Jobs Act was readied for introduction in January.

Cost estimates for this legislation have been scarce; however, the costs associated with one aspect of the proposal—the 25% by 2025 (25 x 25) renewable energy standard—can readily be inferred from numbers published by the Public Service Commission of Wisconsin in its *Strategic Energy Assessment 2014*.

The Commission estimated that reaching 25x25 would require adding 400 megawatts of wind capacity annually until 2025, at an overall cost of \$14.8 billion, or slightly less than \$1 billion each year. If utilities are compelled to spend almost \$1 billion annually, especially with existing capacity reserves nearly double the required 18 percent, one of two things must happen: Regulators either permit rates to rise or put utilities on a direct path toward bankruptcy. Either way, consumers will suffer.

Nearby states offer examples. Interstate Power and Light seeks a 10% rate increase to pay the cost of meeting an Iowa renewables mandate and additional voluntary wind standard. Minnesota Power and Otter Tail Power seek 19% rate hikes largely to pay their state’s 25x25 costs. If costs *aren’t* recovered, other bad things happen. California restructuring in the 1990s required utilities to divest generation assets, buy wholesale power at *unregulated* prices and resell at *regulated* prices. With retail rates capped, utilities had to pay more for power than they could charge when they sold it. Nine years ago last Wednesday Pacific Gas and Electric, the state’s biggest utility, filed bankruptcy.

Under the Clean Energy Jobs Act, the mechanism would differ but the outcome will not. Any business forced to spend more to furnish a product than it’s allowed to charge consumers will go bankrupt. Wisconsin regulators will not permit such an outcome. Higher retail electric prices resulting from the Clean Energy Jobs Act are therefore destined for regulatory approval.

Of the 39 Wisconsin counties with a substantial electric co-op presence, 36 have median household incomes below the statewide median.* The income average across those 39 counties is 11.5% below the statewide median. Many of these households already face difficulty with rising energy costs. Mandating the expenditure of nearly \$15 billion for new generation will only make things worse for these people.

Of course co-op or otherwise, no Wisconsin household that uses electricity will be unaffected.

*U.S. Census Bureau estimate for 2007



Oneida Tribe of Indians of Wisconsin

Post Office Box 365



Oneidas bringing several hundred bags of corn to Washington's starving army at Valley Forge, after the colonists had consistently refused to aid them.

Phone: (920) 869-2214



Oneida, WI 54155



UGWA DEMOLUM YATEHE
Because of the help of this Oneida Chief in cementing a friendship between the six nations and the colony of Pennsylvania, a new nation, the United States was made possible.

April 14, 2010

Senator Dave Hansen
Room 18 South
State Capitol
P.O. Box 7882
Madison, WI 53707-7882

SB 450?

Dear Senator Hansen:

I am writing to you to express The Oneida Tribe of Indians of Wisconsin's support for the Clean Energy Jobs Act. Over the last two years, the Oneida Tribe's Seven Generation Corporation has been in the process of developing a renewable energy project that will benefit Brown County. While we support the Act, a few provisions will have a direct impact on our project, thus, we are calling on our representatives to support this Act on our behalf.

The renewable energy project will be a state of the art energy recycling and recovery facility employing clean energy technology for the reduction of waste, destruction of methane and carbon sequestration. Shortly, the Seven Generations Corporation will be finalizing all the necessary agreements, securing financing, and starting construction. Having the bill become law will dramatically affect the cost effectiveness of the waste-to-energy project. In addition, this one project installation alone will produce up to 30 jobs, which doesn't include the immediate construction jobs. Also, this facility can be replicated in multiple locations throughout the State.

Moreover, Seven Generations Corporation is currently in negotiation with Brown County to secure a waste stream. If a deal is struck, this could potentially save Brown County \$2 million a year. The success of this project could potentially transform how municipal solid waste is handled throughout Wisconsin and could save local governments around the state large sums of money; therefore, we are requesting your support for the Clean Energy Jobs Act.

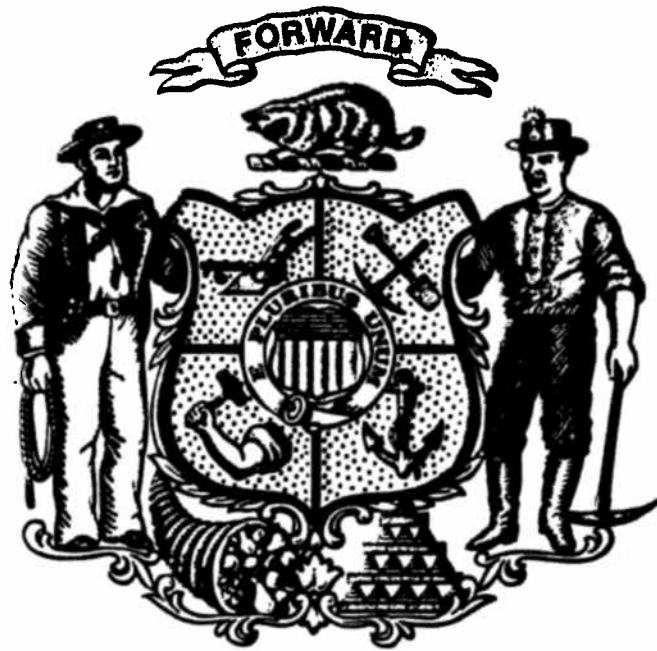
Thank you for your time and consideration.

Respectfully,

A handwritten signature in cursive that reads "Richard G. Hill".

Richard G. Hill, Chairman
Oneida Tribe of Indians of Wisconsin

Cc: Senate Majority Leader Decker
Senator Plale





MEMORANDUM

April 14, 2010

To: Assembly Special Committee on Clean Energy Jobs
Senate Select Committee on Clean Energy
Legislative Leadership
Interested Legislators

From: Edward J. Wilusz, VP Government Relations

Subject: Substitute Amendment to Assembly Bill 649 and Senate Bill 450

The Wisconsin Paper Council has had limited time to review the proposed substitute amendment to Senate Bill 450 and Assembly Bill 649 relating to the implementation of recommendations from the Governor's Global Warming Task Force. While further review is needed, we want to promptly provide you with our initial reaction in an effort to guide your actions during the last few days of the legislative session.

While the substitute amendment makes some improvements to the original bill, we remain strongly opposed due to the potential cost impacts on our members.

The primary concern of our members is controlling costs. The paper industry has faced a very difficult competitive environment for some time and being a low-cost producer is one of the keys to success for our industry. We have consistently asked that government be our partner in controlling costs, not an adversary that increases our costs. The substitute amendment, though an improvement over the original bill, would, in our view, significantly increase the cost of production for paper companies by significantly increasing energy costs. The paper industry is the largest industrial energy user in Wisconsin. Despite significant gains in energy conservation and efficiency by paper mills, energy cost increases will disproportionately impact our industry. Many of our members have endured a 70% energy cost increase over the past decade. These companies cannot endure another decade with a 70% energy cost increase and remain competitive.

In our public hearing comments to the two committees dealing with this legislation we indicated that we don't have any problem with Wisconsin pursuing a so-called new, green economy. What concerns us are policy recommendations that could

significantly harm our existing economy. We do not believe it is necessary to harm the existing economy on the way to the new economy. In our view, the discussion on how to both protect the existing economy while moving forward with new initiatives has been artificially constrained by an apparent single-minded commitment to meet a 25% renewable energy standard by 2025. This commitment ignores the tremendous cost burden that such a standard would impose and ignores the fact that Wisconsin already has a surplus of energy generation capacity – new capacity, renewable or otherwise, is simply not needed. We believe that the proper question is: When the state needs new energy generation capacity, how can it be provided in the greenest, most economical way? The policy responses to this question would likely look much different than those included in the bill or substitute amendment.

The following comments address some of our major issues relating to the substitute amendment.

- The industrial boiler energy efficiency provision has been deleted. This is positive. This provision – which was not recommended by the Governor's Task Force – would likely have had a devastating cost impact on mills, while resulting in little energy efficiency gain.
- The renewable portfolio standard of 25% by 2025 remains. This is likely to be a very expensive requirement. Indications from other states dealing with implementation of similar mandates are that initial rate increases in the 20% range are not uncommon. Information from the Public Service Commission and individual utilities point to total costs in Wisconsin of approximately \$15 billion – for energy generation capacity that we don't need. We recommended that policy "circuit breakers" be considered to address the issues of cost and excess capacity, but these options were not pursued. Meaningful consideration of costs was not included in the original legislation and was not included in the substitute amendment.
- Energy efficiency is allowed to be counted for a portion of the renewable portfolio requirement. This is positive, in theory, but we fear it will be of little practical value. The reason for this fear is that utilities have little incentive to spend money on efficiency measures that would reduce the amount of product that they are trying to sell. In fact, utilities have some fundamental economic incentives to not spend money on energy efficiency, an issue that the Governor's Task Force struggled with. We understand that utilities are allowed to earn a return on energy efficiency investments. However, the return on other types of investments is likely to be larger. So, while this provision is

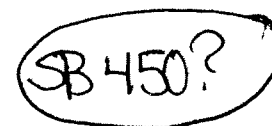
- conceptually attractive and may save some costs, we are doubtful that it will be of much value in significantly reducing the \$15 billion price tag for renewables.
- The bill contains a troubling new provision that could be the most expensive element of the substitute amendment and that, arguably, runs counter to the recommendation of the Governor's Task Force. The PSC is given authority to take actions necessary to implement the requirements of the bill, such as setting energy reduction targets and associated fees. The substitute amendment adds a reference to meeting the greenhouse gas reduction goals (e.g., 22% below 2005 levels by 2022; 75% below 2005 levels by 2050). The intent of this change is unclear. However, it could easily be interpreted to require the PSC to implement a de facto greenhouse gas emission reduction program for utilities. If interpreted in this way – and this would likely be the subject of judicial review – it would be extremely expensive for ratepayers. The Governor's Task Force specifically recommended against a state-only greenhouse gas reduction approach (in the form of a state cap and trade program), yet this provision could be interpreted to require just such a program.
 - Under current law, utilities must spend 1.2% of revenues on energy efficiency programs and must pass this cost on to customers. However, the fees charged to large energy users, like paper mills, are capped at 2005 levels. Through a new provision included in the substitute amendment and the operation of current law, the cap for large energy users would effectively be removed. Based on a survey of our members, we roughly estimate that raising fees from current levels to 1.2% would increase costs ~~from about \$900,000 annually to about \$5.5 million annually industry-wide.~~ Each 0.1 percent increase in fees would approximately be a \$480,000 cost increase for our members. So the total cost for the paper industry of the 1.4% requirement in the substitute amendment would be near \$6.5 million or about a \$5.6 million annual increase over current law. Keep in mind that the Governor's Task Force ultimately concluded that fees in the range of 4% would necessary to reach energy reduction goals. At that level, industry-wide fees could be approaching \$19 million annually. We understand that the substitute amendment provides for a contested case proceeding and review by the Joint Committee on Finance. However, these procedural protections seem inadequate given the amount of money at stake.

The Wisconsin Paper Council believes that a path to the economy can be found without harming the existing economy. This legislation is not a prudent path. We remain committed to working cooperatively to find mutually agreeable policy solutions as the state moves forward.



Lynch, Abigail

From: Basa, William [wbasa@northernpower.com]
Sent: Wednesday, April 14, 2010 12:16 PM
To: Sen. Plale
Subject: Northern Power Systems Comments on CEJA Substitute Amendment



Dear Senator Plale,

Northern Power Systems would like to submit the following comments on the Substitute Amendment to the Clean Energy Job Act, released Tuesday, April 13.

First and foremost, we want to express our appreciation for your work on this. Any Bill this comprehensive and with this number of moving parts is a balancing act. Your perseverance in putting it together is to be commended. Specifically, in the case of Northern Power and its commitment to the on-site, distributed wind market, we note three key positive components of the Amendment:

1. Supplementary funding for small-scale renewables through 2014.
2. The 25% bonus renewable resource credits (RRCs) for small-scale renewable facilities of 2MW of less.
3. Small-Scale renewable resource goal of at least 1% of renewable energy produced in the state annually by 2025.

We thank you for your work on these.

Although the intent within these provisions to support smaller, distributed energy project is clear, in order to achieve the project development envisioned in the 2025 goals – and the added jobs growth that comes with on-site generation projects - certain primary elements need to be in place.

Net-Metering

The most basic bottleneck for on-site energy projects left unaddressed in the bill is net-metering. Net-metering is the policy by which a customer generator can feed excess energy back into the grid, receive a credit from their local utility provider and then use that credit against actual electrical load at a later time when their renewable facility is not producing enough to meet demand. In effect, it is a "storage" means for on-site renewable energy facilities. Currently, the system capacity limit for net-metering in Wisconsin is 20kW (except for We Energies, where the first 25 wind turbines up to 100kW can apply). In order to expand the number of sites eligible and the number of project jobs in the state, the net-metering capacity limit needs to be increased. At a minimum, raising this capacity limit to 100kW statewide would immediately expand the number of eligible sites.

25% Bonus for In-State

Secondarily, the in-state RPS requirement will likely create an additional class of premium RCCs. Assuming that is the case, a 25% bonus on the premium value of the in-state RCCs (as opposed to general RPS requirement) would add an additional incentive to help fund small-scale projects.

Size Limit for 25% Bonus Credit

Lastly, Northern Power would request the capacity size limit for the bonus be altered slightly to 2.2MW. Northern currently has a 2.2MW utility scale turbine in development and targeted to come to market in late 2011. We are currently engaged with at least two Wisconsin manufacturers in the supply chain for that turbine. Raising the size limit modestly will allow our 2.2MW turbine to receive these bonus RCCs and offer an added incentive for installed projects in Wisconsin.

Please feel free to contact me directly with questions on any of these issues. We again thank you for your work and offer our support to continue to create jobs in Wisconsin.

4/14/2010






10 E. DOTY STREET | SUITE 800 | MADISON, WI 53703 | PH: 608 441 5740 | FAX: 608 441 5741 | WIEG.ORG

For Immediate Release: April 15, 2010

Contact: Todd Stuart
(608) 441-5740

Amendment hammers industrials harder than original bill

The state's largest electricity users, companies that provide 50,000 Wisconsin manufacturing jobs, today warned that the new "slimmed down" version of AB 649/SB 450—the so-called Clean Energy Jobs Act—would still cost all ratepayers billions extra and **drive up costs for large manufacturers to an amount substantially higher than the original bill.**

Two sweeping new provisions repeal the large customer caps on new energy efficiency and renewable programs and direct the Public Service Commission to meet the greenhouse gas emissions goals of the governor's global warming task force. These provisions, combined with a 25% renewables mandate, are guaranteed to lead to dramatic increases for industrial ratepayers. 

"I'm blown away by the fact there's really no cost containment safety valve in the revised bill," said Todd Stuart, Executive Director of WIEG. *"After months and even years of debate over costs, costs, costs, not to see a cost safety valve in the bill is just stunning. Worse, the substitute amendment repeals the industrial customer caps to write a blank check for greenhouse gas efforts. That's terrible economic development policy when Wisconsin's manufacturers are struggling to survive."*

According to a recent survey of Wisconsin's largest utilities that was submitted to legislators, the "25 by 25" renewable mandate will require \$15 billion in new renewable infrastructure additions. No meaningful provision was added to the substitute bill to provide a cost safety valve. The mandate, which would be enacted independently of other states and the federal government, will drive up electricity rates for all customers and could put Wisconsin at a competitive disadvantage, the group said.

"Somehow this bill went from bad to even worse for all ratepayers, particularly industrial customers," said Stuart. *"Quite frankly, we are stunned that the new substitute amendment did not contain real cost containment measures or cost safety valves for the 25% renewables mandate. Wisconsin already has among the highest electric rates in the Midwest. Some industrial customers have had their rates double in recent years."*

Wisconsin's electric rates were once among the lowest in the country, but are now among the highest in the Midwest. In the last decade, Wisconsin's rates have gone up more than any other state in the Midwest, and perhaps not coincidentally, our state has lost nearly 160,000 good-paying manufacturing jobs during that period.

WIEG is a non-profit association of large energy consumers that has been advocating for affordable and reliable electricity policies since the 1970s – and it is only one of a few consumer voices in the debate over Wisconsin's energy future.

WIEG Press Release
Industrials Hit Harder
Page Two of Two
April 13, 2010

Stuart noted that the increased utility bills are already coming due. In 2009, Wisconsin's five largest utilities asked for more than \$300 million in new rate increases, and more than half of that was requested to help compensate utilities for their lost electricity sales because of the recession. Another major portion was to pay for new renewable infrastructure that is mandated through the state's current 10% by 2015 mandate. Wisconsin has already approved billions in new renewable projects at a time when no new electric generation is actually necessary to meet Wisconsin's energy needs – and that is at the current 10% RPS.

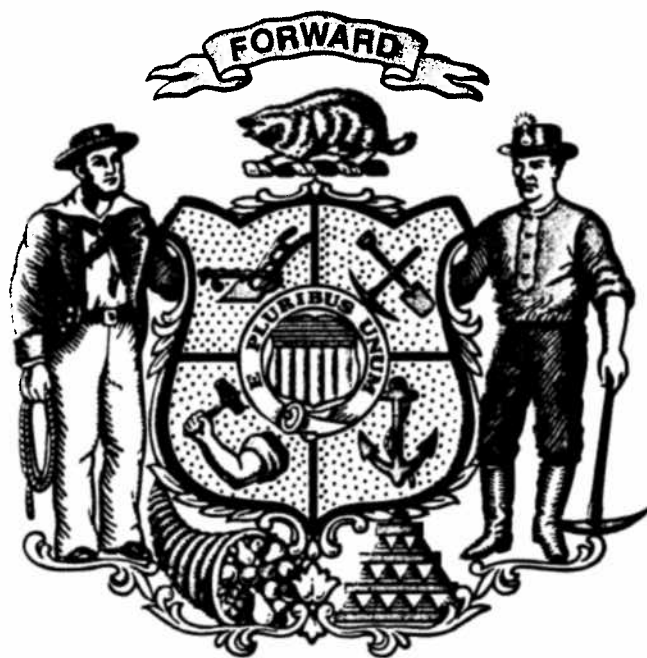
The 25% mandate is guaranteed to raise unnecessary costs for all Wisconsin's ratepayers. Wisconsin's utilities recently provided legislators with a survey outlining \$15 billion in new renewable infrastructure to meet the mandate. In a recent construction application filed at the Public Service Commission, one utility's projections for meeting the 25% mandate showed that it would need to add 200 megawatts every single year at a cost of approximately \$6 billion, even though it already has enough supply today to meet expected demand for many years to come.

"If this legislation actually saved money and created jobs, we would be the first to support it," said Stuart. "But it doesn't. Some of the provisions in the global warming substitute legislation would make the latest round of rate hikes look modest in comparison and hit the state's largest manufacturers even harder than the original bill. We would be guaranteed to add billions in new energy infrastructure at a time when new capacity is simply not needed."

WIEG also points to utilities in Iowa and Minnesota as a warning regarding the 25% renewables mandate. One utility in Iowa filed for a 14% rate hike, with their wind farm as a major driver. Minnesota Power and Otter Tail Power both recently filed for double digit rate hikes. Over half of the rate filing for Otter Tail was to recover the costs of building their new wind generation. Utilities in Minnesota have made eight requests for rate increases since June 2008. In the six utility rate cases completed since 2006, utilities have been allowed to raise rates by \$188 million. In four currently-pending rates cases, Minnesota utilities are asking for another \$104 million in rate hikes.

Minnesota's business associations are very concerned their energy costs are rapidly catching up to Wisconsin's higher electric rates. Their trade associations recently asked the legislature to measure the costs and benefits of the "25 by 25" mandate and consider going back to the old law, the "Renewable Energy Objective" which was a voluntary, good faith effort on renewables. A bill that would have repealed the 25 percent mandate was considered in committee within the last month.

"We are seeing double digit rate hikes in Iowa and Minnesota because the costs of their 25 percent renewables mandates are just starting to come due," Stuart concluded. "Legislators should take a deep breath before passing a new 150 page bill that no one has yet had time to read the expensive fine print."





Georgia-Pacific
Consumer Products LP

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www.gp.com

April 15, 2010

Kelly L. Wolff
Vice President Manufacturing
Green Bay Operations

Senator Rob Cowles
Senator Dave Hansen
Senator Alan Lasee
Representative Gary Bies
Representative Phil Montgomery
Representative Thomas Nelson
Representative John Nygren
Representative Jim Soletski
Representative Gary Tauchen
Representative Karl Van Roy
Representative Ted Zigmunt

Dear Green Bay Area Legislators:

In February, Georgia-Pacific hosted area legislators at our Broadway paper mill in Green Bay. We appreciate the time our public officials took to learn about our Wisconsin operations and discuss policy issues impacting the paper industry.

At that event we discussed in detail the impact of energy costs on our Wisconsin operations and our related concerns about Assembly Bill 649 (AB 649) and Senate Bill 450 (SB 450), the omnibus global warming legislation. Specifically, we expressed concerns about the costs of mandated new renewable energy sources at a time when Wisconsin has excess generating capacity nearing 30 percent. While we opposed the bill as drafted, we offered to review promised amendments and offer our thoughts on the impact they would have on our company.

Senate Substitute Amendment 1 (SSA 1), introduced this week, does make one important change to the bill in removing provisions requiring industrial boiler efficiency inspections, but it does not address our fundamental concerns about electric rates. In fact, contrary to public reports of a "scaled-back" bill, we believe that some provisions of the bill would actually increase the costs of energy above increases we expected from the original bill. Georgia-Pacific continues to oppose AB 649 and SB 450 because:

- A 25 percent renewable portfolio standard will raise electric rates significantly, perhaps as much as \$15 billion statewide based on information provided by the electric utilities. While SSA 1 does add certified energy efficiency credits to the definition of renewable energy, we expect this addition to help only on the margins. Energy costs are the second largest cost input, behind labor but ahead of raw materials, for our Wisconsin operations. An expected rate increase of 20 percent or more will have a significant negative impact on our Green Bay facilities.

Green Bay Area Legislators

April 15, 2010

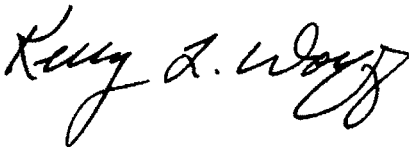
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- SSA 1 effectively eliminates the current industrial energy efficiency fee cap, which will result in substantially higher energy conservation fees. The current 1.2 percent energy surcharge limit gives way to an open-ended directive that the Public Service Commission (PSC) establish energy conservation funding goals needed to hit aggressive greenhouse gas emission reduction targets. For example, PSC Chairman Eric Callisto has stated publicly that fees should increase from the current \$90 million per year to an estimated \$700 million per year to meet the 2 percent conservation goals stated in the bill. This appears to be only a starting point should the more aggressive greenhouse gas emission reduction targets be the objective. This increase in energy costs only serves to increase the cost of making paper in Green Bay.

We know you share our concerns over energy costs, and recognize that energy cost impacts we expect from the bill will hit not only employers like Georgia-Pacific, but all of your constituents in their monthly bills and the costs of goods and services. We therefore respectfully urge you to oppose AB 649 and SB 450 should this legislation be scheduled for action during the last week of the legislative session.

Thank you for your continued interest in our company and the 3,000 Wisconsin residents we employ. If you have any questions, please feel free to contact me directly at (920) 438-4222.

Sincerely,



Kelly L. Wolff
Vice President Manufacturing
Green Bay Operations

CC: Governor Jim Doyle, Senator Russ Decker, Senator Mark Miller, Senator Jeff Plale, Assembly Speaker Mike Sheridan, Representative Spencer Black



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

Copy: Members, Wisconsin Legislature

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

Date: April 15, 2010

Subject: Substitute Amendment to SB 450 & AB 649 (Global Warming Bill)

As representatives of Wisconsin's manufacturing, agriculture, construction, transportation and economic development communities, we continue to **oppose** the amended global warming legislation (AB 649/SB 450). Although the substitute amendment removes a number of highly controversial provisions – such as California's low emission vehicle standards and low carbon fuel standards – the bill still contains provisions that will substantially increase electricity rates and harm Wisconsin's economy. In fact, not only does the substitute amendment fail to address the significant increase in energy costs, the amendment language will make the bill worse by further increasing electric rates.

While we continue to review the 150-page substitute amendment, we note that many of our concerns were not addressed. For example, the substitute amendment still contains the two most costly provisions: 1) a 25 percent Renewable Portfolio Standard (RPS) by 2025; and 2) new energy efficiency surtaxes.

Equally alarming, the substitute amendment requires the Public Service Commission (PSC) to establish energy taxes and policies that will ensure Wisconsin meets or exceeds the aggressive greenhouse gas emission reduction targets in the bill (a 75% reduction by 2050). In this regard, the amendment takes the voluntary targets from the original bill, and makes them enforceable at an enormous cost to our jobs and economy.

Renewable Portfolio Standard

The substitute amendment still includes the most costly provision – a 25 percent renewable energy mandate. Although the substitute amendment makes a few changes to the original bill, those changes are minor and will do nothing to bring down the substantial costs associated with this provision. Last week, Wisconsin utilities estimated the cost of complying with the 25 percent RPS at staggering \$15 billion – costs that will be passed along to homeowners and businesses alike. We simply cannot afford to hit our economy with these costs at a time when consumers can least afford it, and when we already have a 30 percent oversupply of electric generation.

Energy Efficiency Provisions

Existing law caps how much large industrial ratepayers must pay for energy efficiency programs. Existing law also provides other limitations that apply to all ratepayers. The amendment effectively eliminates these limits and directs the Public Service Commission to assess whatever fees it deems necessary to enable the state to meet or exceed the bill's greenhouse emission and energy consumption reduction goals. This will result in excessive utility fees on industrial, commercial, and residential ratepayers far in excess of what is now levied. ***Based upon PSC analysis, this new energy tax is expected to cost Wisconsinites at least \$700 million per year – the equivalent of an 11 percent increase in the state income tax.***

In conclusion, we continue to oppose passage of this legislation because it will significantly increase electric rates, result in job loss, and make our state a less competitive place to do business.





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SB 450?

TO: Members of the Wisconsin Legislature
FROM: Wisconsin's Cooperatives
RE: Consequences of the Clean Energy Jobs Act
DATE: April 19, 2010

Cooperative Network opposes the Clean Energy Jobs Act because the substitute amendment still mandates large cost increases on energy consumers. This organization has stressed to its members the cost of one part of the bill, the 25x25 renewables mandate. Far from being the only new cost, 25x25 is the only one for which we felt we had sufficient data to provide a defensible estimate. **The true cost will be far more than the \$15 billion to build only the generation component of the 25x25 infrastructure.**¹

People forced to pay such costs have a right to know the benefits. Major environmental gains should be expected from legislation that originated in an effort to "Present viable, actionable recommendations to the Governor to reduce greenhouse gas (GHG) emissions in Wisconsin and make Wisconsin a leader in implementation of global warming solutions"²

We have low expectations that 25x25 will help close fossil-fueled power plants, because our primary renewable resource, wind energy, cannot safely be connected to the grid without approximately equivalent, dispatchable backup generation which, almost by definition, is fossil-fueled.

Consider the experience of Denmark, its population slightly larger than Wisconsin's and one-fifth of its electricity obtained from wind. Denmark has closed no fossil-fueled plants. It has *added* coal-fired generation to meet wind's backup needs, resulting in higher GHG emissions.³

Neither are we reassured by the Public Service Commission predicting that despite higher energy prices, consumers will realize savings through reduced usage. This cannot be reconciled with PSC studies of rate "decoupling" to prevent conservation and efficiency from reducing utility revenues. This month, Wisconsin Public Service Corporation requested a rate increase to offset reduced usage.

It seems reasonable to anticipate Wisconsin residents made to pay billions for emission reductions that don't happen and for savings that don't occur will conclude they have been taken for a ride.

Cooperative Network has done everything it reasonably can to alert the Legislature to its concerns about the Clean Energy Jobs Act harming co-op members. We do not propose the state compensate citizens for the harm that would be done to them. We understand the state is no more able to offer compensation than its citizens are able to absorb the harm. We ask that the harm not be done in the first place.

To reiterate the counsel we offered in a document circulated to cooperative leaders and the Legislature at the end of March and a second time this past week: ***"If those ever-higher costs do come our way, they'll be a direct result of policymakers with their eyes wide open making that choice."***

¹ Public Service Commission of Wisconsin "Strategic Energy Assessment 2014"

² Executive Order 191, April 5, 2007, as cited in the Final Report of the Governor's Task Force on Global Warming, July 24, 2008

³ *Financial Post*, Toronto, Canada, April 8, 2009



To: Members, Wisconsin Assembly

From: Nick George, President
Midwest Food Processors Association

Robert Peaslee, President
Wisconsin Cast Metals Association


Todd Stuart, Executive Director
Wisconsin Industrial Energy Group

Scott Manley, Director of Environmental Policy
Wisconsin Manufacturers & Commerce

Ed Wilusz, Vice President, Government Relations
Wisconsin Paper Council

Date: April 20, 2010

Subject: **AB 649** - Relating to the Governor's Task Force on Global Warming



We are writing this memorandum as representatives of manufacturing employers to urge that you vote against AB 649, the omnibus climate change bill. There are many problems associated with the substitute amendment adopted in committee last week, but we would like to focus on the two most important – it will raise energy costs and kill manufacturing jobs.

We trust that the debate over costs has ended with the utility association's recent confirmation that the enhanced RPS will in fact cost their members \$15 billion for capital expenditures. This does not include transmission costs at about \$1 million per mile, with additional costs associated with back-up generation.

Our members have confirmed that the PSC estimated cost savings under the energy efficiency programs will never materialize. One member projects the substitute amendment's deletion of the energy efficiency funding cap for large industrial ratepayers that exists under the current law will result in a utility fee levied for that program in excess of \$3 million per year – just for that one company. It's important to note that we supported the 2005 Act 141 10% RPS with a fair expectation the energy efficiency cap would not be eliminated. Its deletion by the authors of AB 649 appears to be punitive.

The paper, food processing, and cast metals industries are the three largest industrial energy users in Wisconsin. Despite significant gains in energy conservation and efficiency by our members, energy cost increases will disproportionately impact our industry. Many of our members have endured a 70 percent energy cost increase over the past decade. These companies cannot endure another decade with a 70 percent energy cost increase and remain competitive.

Wisconsin has the most manufacturing intensive economy in the United States, accounting for \$48.9 billion in economic output in 2008, which is over 20 percent of Wisconsin's overall economy. Yet we continue to shed these high-paying jobs – 160,000 since 2000 – in part, due to escalating energy costs.

It is certain that the country will see a jobs recovery. But it is also likely that when manufacturing jobs do return, they will do so unevenly, benefiting first (and possibly only) those facilities and states with competitive cost structures. Wisconsin was once very competitive in the Midwest region in the crucial area of energy costs. That advantage has been substantially eroded by escalating rate hikes. We cannot afford to make electricity more expensive if we want to remain competitive.

We ask that you please give considerable thought to the likely economic and energy consequences of this legislation before you decide whether to endorse it.

Assembly Mail Distribution Contact Info:
Hamilton Consulting Group, 10 East Doty St., Suite 500, Madison. 608-258-9506



April 20, 2010

To: Members of the Wisconsin State Senate

From:

Cooperative Network	Wisconsin Farm Bureau Federation
Midwest Food Processors Association	Wisconsin Agri-Service Association
Wisconsin Crop Production Association	Wisconsin Corn Growers Association
Wisconsin Pork Association	Gold'n Plump Poultry
Growmark Inc	Wisconsin Cattlemen's Association
Wisconsin Agribusiness Council	Dairy Business Association
Wisconsin Soybean Association	Wisconsin State Cranberry Growers Association
Wisconsin Potato & Vegetable Growers Association	

The organizations listed above represent the vast majority of the producers, processors and input suppliers who make up this state's \$59 billion agricultural industry and are opposed to the substitute amendment to Assembly Bill 649 and Senate Bill 450, more commonly known as the Clean Energy Jobs Act (CEJA). We believe passing CEJA will:

- Force everybody in Wisconsin to pay more for electricity and heating fuels.
- Jeopardize more than 40,000 jobs as cited by the Beacon Hill Institute.
- Will do very little to reduce CO2 emissions.
- Increase the cost to production agriculture without any tangible benefits.

Wisconsin's agricultural industry, which employs a tenth of the Wisconsin workforce, cannot afford higher energy costs especially in today's economy. We are deeply concerned about the legislation's unknown cost impact on our production of food and fiber. We expect the cost to be substantial and have little confidence that it will be balanced by any recognizable benefit to the environment.

Please vote no on CEJA

AB 649

SB 450

If you have any questions contact Cooperative Network at 608-258-4400



Lynch, Abigail

From: Larson, Rebecca A [rebecca.a.larson@xcelenergy.com]
Sent: Tuesday, April 20, 2010 2:14 PM
To: Rep.Ballweg; Rep.Barca; Rep.Benedict; Rep.Berceau; Rep.BernardSchaber; Rep.Bies; Rep.Black; Rep.Brooks; Rep.Clark; Rep.Colon; Rep. Cullen; Rep.Danou; Rep.Davis; Rep.Dexter; Rep.Fields; Rep.Fitzgerald; Rep.Friske; Rep.Garthwaite; Rep.Gottlieb; Rep.Grigsby; Rep.Gunderson; Rep.Gundrum; Rep.Hebl; Rep.Hilgenberg; Rep.Hintz; Rep.Hixson; Rep.Honadel; Rep.Hraychuck; Hubler, Mary; Rep.Huebsch; Rep.Jorgensen; Rep.Kaufert; Rep.Kerkman; Rep.Kessler; Rep.Kestell; Rep.Kleefisch; Rep.Knodl; Rep.Kramer; Rep.Krusick; Rep.LeMahieu; Rep.Lothian; Rep.Mason; Rep.Meyer; Rep.Milroy; Rep.Molepske; Rep.Montgomery; Rep.Mursau; Rep.Murtha; Rep.Nass; Rep.Nelson; Rep.Nerison; Rep.Newcomer; Rep.Nygren; Rep.Ott; Rep.OttJ; Rep.Parisi; Rep.Pasch; Rep.Petersen; Rep.Petrowski; Rep.Pocan; Rep.Pope-Roberts; Rep.Pridemore; Rep. Radcliff; Rep.Rhoades; Rep.Richards; Rep.Ripp; Rep.Roth; Rep.Roys; Rep.Schneider; Rep.Seidel; Rep.Sherman; Rep.Shilling; Rep.Sinicki; Rep.Smith; Rep.Soletski; Rep.Spanbauer; Rep.Staskunas; Rep.Steinbrink; Rep.Stone; Rep.Strachota; Rep.Suder; Rep.Tauchen; Rep.Toles; Rep.Townsend; Rep.Turner; Rep. Van Akkeren; Rep.Van Roy; Rep.Vos; Rep.Vruwink; Rep.Vukmir; Rep.WilliamsM; Rep.WilliamsA; Rep.Wood; Rep.Young; Rep.Zepnick; Ziegelbauer, Bob; Rep.Zigmunt; Rep.Zipperer; Rep.Sheridan; Sen.Carpenter; Sen.Coggs; Sen.Cowles; Sen.Darling; Sen.Decker; Sen.Ellis; Sen.Erpenbach; Sen.Fitzgerald; Sen.Grothman; Sen.Hansen; Sen.Harsdorf; Sen.Holperin; Sen.Hopper; Sen.Jauch; Sen.Kanavas; Sen.Kapanke; Sen.Kedzie; Sen.Kreitlow; Sen.Lasee; Sen.Lassa; Sen.Lazich; Sen.Lehman; Sen.Leibham; Sen.Miller; Sen.Olsen; Sen.Plale; Sen.Risser; Sen.Robson; Sen.Schultz; Sen.Sullivan; Sen.Taylor; Sen.Vinehout; Sen.Wirch
Subject: Clean Energy Jobs Act Memo, AB 649



Companion
to SB 450.

To: Members of the Wisconsin Assembly
From: Rebecca Larson, Manager - Government Affairs, Xcel Energy
Re: The Clean Energy Jobs Act, Assembly Bill 649
Date: April 20th, 2010

Xcel Energy has consistently supported enhanced Renewable Portfolio Standards and increased energy efficiency and conservation spending in the states that we serve. As the nation's #1 wind provider and a leading provider of renewable energy in Wisconsin, we have been able to incorporate renewable resources into our diverse energy portfolio in a manner that is both cost effective and that meets the increasing energy needs of our customers.

The substitute amendment to the legislation contains many of the important changes for which we have advocated, including: capping the RPS mandate increments as to not penalize early adopters of renewable energy by forcing them to go over the mandates, adding Legislative oversight on proposed increases in spending on energy efficiency and conservation, modifying the nuclear language to ensure its constitutionality and removing language mandating advanced renewable tariffs. While we would still like to see a cap at the 10% increment of the RPS and retention of the current statutory definition of biomass, the changes move the bill to a place that is more consistent with the intent of the Governor's Global Warming Task Force Recommendations. Xcel Energy served on that Task Force and voted in favor of those recommendations.

For the reasons outlined above, Xcel Energy supports passage of Assembly Bill 649.





Advocates for Creating Renewable Energy

Dear Legislator,

DJE?

Investing in renewable energy projects in Wisconsin, as provided by the Clean Energy Jobs Act (SB 450/AB 649), will produce many new employment opportunities in the state, including for labor union members. Here are just a few examples provided by members of ACRE (Advocates for Creating Renewable Energy):

-The Operating Engineers erected 88 turbines for the Blue Sky Green Field Wind Farm in Fond du Lac County, which at 145 MW is Wisconsin's largest wind energy installation. Boldt Construction Company, which uses almost all union labor, was the general contractor for the project, which included more than 400,000 labor hours.

-Boldt Construction Company also provided labor at the Cedar Ridge Wind Farm in Fond du Lac County in 2008. The project encompasses 41 turbines, totaling 68 MW of generating capacity.

-Boldt will also serve as general contractor for the construction of a 50 MW biomass plant at Domtar Corporation's Rothschild paper mill site. The project is expected to create approximately 400 construction jobs and 150 permanent jobs in the surrounding community.

-H&H Solar Energy Services, Inc. and H&H Electric are IBEW and Plumbers Local 75 affiliated contractors. H&H Solar is the largest PV installer in Wisconsin and among the top solar hot water installers as well. All installers are certified union master or journeymen electricians and plumbers. Sister companies H&H Electric and H&H Industries are both union shops.

-Johnson Controls, Inc. uses union labor on renewable energy projects, including a 250 kW photovoltaic system in Glendale and a 650 kW PV system at the Milwaukee Area Technical College this year. JCI is developing a PV system which will use IBEW electricians who need to perform two installations before they can sit for the NABCEP certification test.

-The Forward Wind Energy Center in Fond du Lac and Dodge Counties has a combined generating capacity of 129 MW. Michels Construction, which uses union labor, was the general contractor for the project.

-Northern Power Systems hired Westphal Electric, an IBEW contractor out of Madison, to install a wind turbine at the Madison Area Technical College campus in Fort Atkinson. Northern Power Systems includes employees who are active IBEW members.

-Renewegy, a company based in Oshkosh, is active in wind technology and development, including recent wind turbine installations for SCA Tissue in Menasha. Renewegy has partnered with various construction companies which use union labor.

-Clear Horizons out of Milwaukee has used union labor contractors, including Middleton Construction, Ideal Plumbing, Heating & AC, and Pieper Electric.

-Pieper Electric is a union electrical contractor headquartered in Milwaukee. It employs electricians from IBEW Locals 388, 494, 159, 890, and 127. Pieper has done at least nine solar installations totaling almost 200 kW of capacity, in addition to projects for 100 kW of wind energy.

-Procorp Enterprises, an engineering firm that develops anaerobic digestion projects for wastewater treatment facilities, is also based in Milwaukee. It has used union labor contractors on its projects.

-Convergence Energy, a full-service provider of solar energy products, is based in Lake Geneva. They used union electricians for a solar tracker installation for Gateway Technical College in Kenosha.

-Wave Wind will use union labor for a wind energy project in Dane County.

-Lake Michigan Wind and Sun in Sturgeon Bay has trained union apprentices in solar work in conjunction with WPS and NWTC. They have used IBEW Local 103 and Eland Electric, a union shop in Green Bay, for PV projects. Eland Electric is now in the solar business.

As we see the growth of renewable energy in Wisconsin, it is encouraging to see how this industry has delivered family-supporting wages as seen in these past, current, and future projects. As illustrated by these examples, union labor will play a significant role in the development of renewable energy in Wisconsin and will benefit greatly from the passage of the Clean Energy Jobs Act.

Sincerely,



Shaina Kilcoyne
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Wisconsin State Senate Testimony on Feed-in Tariffs: A Developer's Perspective

Date?

- My name is Scott Barnum and I am Co-Founder of Verterra Energy and based in Milwaukee. Our goal is to develop biogas plants that use organic waste material and convert into energy and fertilizer. I'm also a partner in a renewable energy development company called Green Partners, which founded a German company called Agri.Capital, which is now the largest owner and operator of biogas projects in Germany
- I come before the panel today to provide a developer's perspective on AB649/SB450
 - Renewable scale-up can satisfy multiple policy & economic goals: emissions targets, energy security & job and industry creation; Wisconsin should be commended for its leadership on these issues as envisioned in AB649/SB450
 - Investors want Transparency, Longevity and Certainty – "TLC" to deploy capital in scale and minimize risk; these features are often lacking in most state renewable portfolio standard (RPS) programs
 - TLC at the "right price" can be achieved with efficient policy design, striking a fair balance between public and private sector interests, creating a net benefit to society as a whole
 - Advanced feed-in tariff (FIT) policies provide TLC and are extremely effective in generating a renewable energy volume response and creating jobs
 - In particular, transparency comes from the standard offer, certainty comes from the guaranteed long term tariff payment in any particular year and longevity would come from a price discovery process that allows the tariff to adjust to market developments such that public money is seen to be used efficiently
- As a developer, the appeal to AB649/SB450 is the aspects of TLC such as a standard offer, differentiated payments to match specific renewable energy technology costs and performance, reasonable returns, and longevity of payment terms
 - Impact of TLC is impressive; Germany has created ~300,000 (gross) clean energy jobs, largely attributable to their Feed-in Tariff
 - Ontario is just launching a Feed-in Tariff and is expecting to generate 50,000 jobs
 - The German company I mentioned, Agri.Capital, has been extremely successful:
 1. Started only 5 years ago and has raised \$300 million to date
 2. Has built over 38 MW of biogas projects and has 100 MW in their pipeline
 3. And has 120 employees
- My goal is to mirror that kind of success right here in Wisconsin:
 - Typical projects we seek require \$25 million investment, produce 5MW of distributed, baseload electric energy, drive 150 construction jobs, and create 30+ permanent jobs
 - I envision Verterra developing a number of these plants in Wisconsin and also expect to build a national headquarters office in Milwaukee, where we would need to hire 100+ corporate staff
- In conclusion, AB649/SB450 is a significant improvement to Wisconsin's current RPS program and, if enacted, should achieve a strong response from developers, helping the state to achieve its energy policy goals



Clean Energy



Clean Earth



Clean Solutions





Date?

Memorandum

TO: Members of the Wisconsin State Legislature

FR: Clean Wisconsin

RE: Hearings Results for the Clean Energy Jobs Act

In the wake of the hearings that concluded last week we want to take a minute to acknowledge the very long hours, and the tremendous effort made by the Senate and Assembly Select Committees on Clean Energy to solicit and listen to testimony on the Clean Energy Jobs Act (SB 450 and AB 649). Together the committees held 5 hearings, several lasting 8 to 9 hours, over 30 hours in total, and heard testimony from 211 individuals representing a wide range of stakeholder interests. We greatly appreciate this effort to thoughtfully consider the opinions of so many on this critical legislation for the state of Wisconsin.

We have reviewed the appearances to get an overview of the public sentiment and of those 211 individuals appearing before the committees; 126 testified in support of bill, compared with 51 in opposition and 34 for information – a ratio of nearly 2.5 to 1 in favor of the legislation. We also compiled the totals for both appearances and those registering and found that 244 individuals appeared or registered in favor of the bill compared to 123 against; a 2 to 1 ratio in favor of the bill. The support from Wisconsin businesses is even more pronounced; after compiling the numbers of actual businesses (as opposed to lobby associations) speaking in favor and against we found that 58 businesses spoke in favor of the bill and 19 spoke against it: a ratio of 3 to 1 in favor of the legislation.

- **Ratio of stakeholders who testified in favor of the bill was 2.5 to 1**
 - 126 stakeholders testified in favor of the bill
 - 51 stakeholders testified in opposition of the bill
- **Ratio of individual stakeholders who appeared or registered in favor of the bill was 2 to 1**
 - 244 individuals appeared or registered in favor of the bill
 - 123 individual appeared or registered in opposition of the bill
- **Ratio of Businesses that spoke in favor of the bill was 3 to 1**
 - 58 businesses spoke in favor of the bill
 - 19 businesses spoke in opposition of the bill

We know that most of you are hearing from WMC and other associations that are using extremely misleading studies and analysis in an attempt to kill the bill; we just wanted to make sure those of you who are not on the committees that held the hearings are aware that the supporters, especially business supporters, greatly outnumbered the opposition. Thank you for your time and attention to this important legislation. For more information please contact Keith Reopelle at 251-7020 ext. 11.

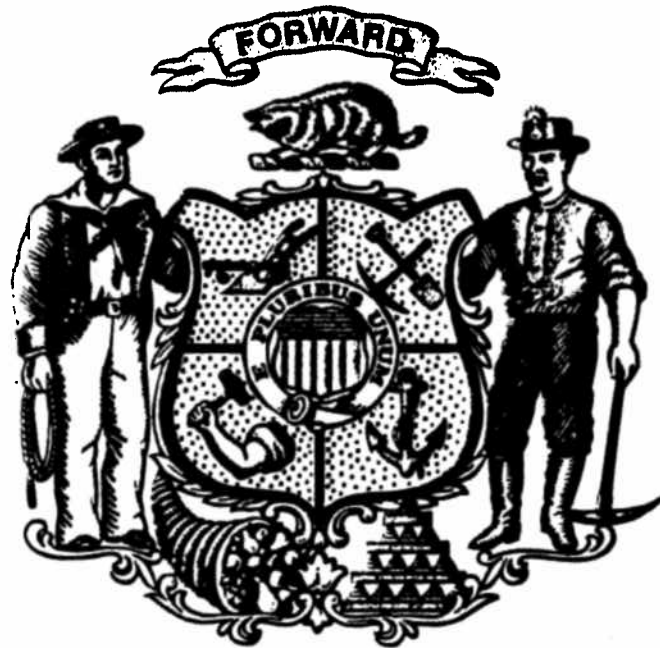


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Date?

Senate Select Committee on Clean Energy
Wisconsin State Senate
Madison, WI 53702

Dear Senators,

The Wisconsin Propane Gas Association is opposed to Senate Bill 450 and Assembly Bill 649.

These bills are being promoted as job creators but they will lead to the ultimate demise of the 163 propane retailers in the state of Wisconsin and the jobs they provide. These bills will negatively affect jobs at the manufacturers of propane tanks, trailers, regulators, hoses, meters, forklifts and other equipment designed for use in the propane industry. They will put long haul truck drivers and local delivery truck drivers out of work. They will put installers and customer service people out of work. They will put pipeline operators out of work. If you live in rural Wisconsin these bills will put someone you know out of work.

Propane is an alternative fuel and a green fuel. In January 2002, The City of Madison, Climate Protection Plan stated "Badger Cab of Madison has been running its entire fleet of 37 vehicles on propane since 1981. The use of propane has resulted in cost savings (25 cents less per gallon over gasoline) and increased vehicle safety. Engines run cleaner and require less maintenance (oil changes have been extended from 2,000 to 4,000 miles)."

A U.S. Department of Energy report on Energy Efficiency and Renewable Energy states, "Unlike natural gas, propane is not a greenhouse gas (GHG) when released directly into the atmosphere. When considering the entire lifecycle of propane used in converted LDVs, ANL found that propane reduced GHG emissions by 21% to 24% and petroleum use by 98% to 99%."

Propane continues to become the better choice. In a blog posted on June 23, 2009, T. Boone Pickens proponent of independence from imported energy wrote, "since propane is a very portable fuel, it can help replace gasoline in some of the worst polluting engines -- the small engines used for garden equipment, lawnmowers and generators. These small gasoline-powered engines release many times more harmful air emissions per hour of use than the typical automobile. In fact, some cities restrict their use during smog alerts. New propane-powered alternatives are coming to market that will meet federal (and soon, California's) air-quality standards, permitting their continued use even during periods of heavy smog."

Propane is a part of the solution in Wisconsin, not the problem. Propane is a clean burning, lower cost alternative that is portable and available to homeowners, businesses and industry. The propane industry employs thousands of people in Wisconsin and is working to develop new uses and technology to meet more rigorous air-quality standards.

The propane industry provides jobs in many small rural Wisconsin communities where more jobs, not fewer are desperately needed. In this economy, when so many of our residents are struggling to find work and pay their bills, the last thing our citizens need is another tax to make the burdens they carry even heavier.

Sincerely,

A handwritten signature in cursive script that reads "Betsy Ahner".

Betsy Ahner
Executive Director
Wisconsin Propane Gas Association





JIM OTT

STATE REPRESENTATIVE • 23rd ASSEMBLY DISTRICT

(608) 266-0486
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Rep.Ottj@legis.wi.gov

P.O. Box 8953
Madison, WI 53708-8953

Testimony for Senate Hearing on SB 450

Date?

Good Morning Chairmen Miller and Plale and committee members. Thank you for giving me the opportunity to testify at today's hearing on the Clean Energy Jobs Act.

In the political world it's common to hide the true intent of legislation by calling a bill something that it really isn't. I would submit that SB 450, and its companion AB 649, is one such bill.

In 2007 Governor Doyle formed his Global Warming Task Force. It was not called the Clean Energy Jobs Task Force. In his mission statement he told the Task Force to come up with strategies to make Wisconsin a leader in the implementation of global warming solutions, because he apparently believes the Earth is overheating.

The Governor's concern over the warming was so great that he also told the Task Force to not bother doing a cost/benefit analysis, and to accept what the Task Force Report calls the "substantial scientific consensus" that "climate change is occurring" and that human use of fossil fuels is "major contributor to such change."

So how do you get the Clean Energy Jobs Bill out of the Global Warming Task Force Report? Why didn't the authors of this bill call it the global warming bill, and why didn't the Governor mention the terms "global warming" or "climate change" even once in his State of the State address last night when talking about this bill?

Could it be the flawed science that's been reported lately, like the recent scandal involving the leaked e-mails from the Climate Research Unit in England, and the questions that have been raised in the last week regarding the National Oceanic and Atmospheric Administration eliminating colder weather stations from their global average temperatures?

If the man-made global warming proponents are so sure of themselves, then why do they feel a need to manipulate data to help make their point? Doesn't this raise a red flag? Maybe Wisconsin shouldn't be embarking on a major policy initiative like this bill, when its very basis appears to be seriously flawed.

The recent weather patterns alone should bring pause to anyone who thinks Wisconsin should move forward with the global warming bill. In the beginning of December almost a quarter of Wisconsin's corn crop was still in the field. That was because our summer was so cool that the corn was late in maturing. A report just issued this morning shows that Wisconsin's apple harvest was down 31% this year, and the cranberry harvest down 13%, also because of our unusually cool summer.

And reports of unusually cold-not warm-weather have been coming in from around the world. Earlier this month the citrus crop was damaged in Florida by a severe freeze. Reports from England tell of a shortage of natural gas supplies because of extreme cold,

and the ice off China's northeast coast is now the thickest and most extensive in the last 40 years. Ladies and gentlemen, if this is an overheating planet, I wouldn't want to experience a cooling one!

In fact, global temperatures have not risen in more than a decade, and more recently they have shown a downward trend.

So a reasonable question is: How much colder would you like it to be? Remember, that's the purpose of fighting global warming-to make it colder.

But if the Governor and the authors of this bill want to talk about jobs-then let's do that. Yes, there may be some "green" jobs created, but many of these will be in the public sector, as in Department of Natural Resource positions to enforce the mandates of this bill. Last year, for the first time, government jobs now exceed manufacturing jobs in Wisconsin. If this bill becomes law, the spread between private sector manufacturing jobs and taxpayer supported government jobs will widen.

In reality, I believe the net loss of jobs in the private sector will be severe. That's what happens when you mandate dramatically higher energy prices for consumers and manufacturers, and that's exactly what this bill will produce. This bill will make it much more expensive to manufacture products in Wisconsin. Isn't that why manufacturers eliminate jobs or move to other areas-because they must make a profit to stay in business?

The public should also be aware of the intrusive regulations that this bill will mandate, on virtually every facet of our lives. How will mandating California emission standards in Wisconsin produce jobs for our citizens?

And what's the real purpose of this bill? To try to make it colder. And even that attempt will fail, since even if our state could reduce our output of greenhouse gases to zero, there would be no measurable effect on background levels of these gases, and therefore no effect on the climate.

If you want to produce more jobs, repeal the nuclear power moratorium, make our state's tax structure more business friendly, and develop a sensible energy policy that will carry us into the future.

This bill fails to do that by a long shot, and I urge committee members to vote against it.

Thank you,

Jim Ott
Representative
23rd Assembly District



TESTIMONY ON SENATE BILL 450 "CLEAN ENERGY JOBS ACT"

Date?

Thank you for the opportunity to speak. I'm David Koene of the Madison Area Peace Coalition. I speak today in favor of the Clean Energy Jobs Act because it contains many essential reforms. Particularly important is the requirement that 20% of Wisconsin's energy be generated from renewable sources by the year 2020.

What I do not support is building more nuclear reactors in Wisconsin. First, I ask you to remember that no technology is ever failsafe or foolproof. If a dam breaks and the towns downstream are flooded this is a disaster, but at least the water can be drained away and the towns re-inhabited. For the towns irradiated in the Chernobyl disaster no such option exists. For them, the 21st century was over before it began. Even if the odds of such a disaster happening in Wisconsin were only 1/100th of 1%, the danger is still too great. To believe "it can't happen here" is to accept uncritically the hubris of the nuclear industry.

Leaving aside the danger of a nuclear accident or meltdown, one thing is for certain: nuclear waste generated by these plants will be dangerous for thousands of years. Technetium-99 is the most radioactive long-lived nuclear waste element. Its half-life is 211,000 years. Tin-126 emits radioactive gamma rays and its half-life is 230,000 years. Zirconium-93 and Caesium-135 each have half-lives of more than a million years. Iodine-129, another by-product of nuclear reactors, is a particular health concern because iodine is concentrated by the human thyroid gland. The half-life of Iodine-129 is 15.7 million years.

These numbers are so huge they're hard to grasp. To put them in perspective, consider this: When Caesar and Cleopatra gazed up at the great pyramid it was already 2,600 years old. More time separated the pyramid-builders from Caesar than separates Caesar from us. But all the time from the building of the pyramids till now – 4,600 years – is just 1/45th of the half-life of Technetium-99 or Tin-126.

Ask yourself this: What will future generations think of the decisions we make today? One way to answer this question is to consider how we would feel if we had to guard toxic waste left by the Egyptians. What if the Egyptians had had nuclear power? What if spent nuclear fuel used to light some Egyptian town for a few months 4,000 years ago were now a threat to our drinking water? What if an archaeological dig provided material for a terrorist's "dirty bomb"?

In a way, we're like the ancient Egyptians. We think our civilization will last forever. Certainly the Egyptians thought theirs would. Egypt was a superpower for fifteen centuries. Yet today no one knows how the pyramids were built. Long ago the Egyptian language was forgotten. The inscriptions on Egyptian temples sat undeciphered for 1200 years. Are we so confident we can leave instructions for future civilizations to care for our nuclear waste and expect they'll follow through?

The decision you make regarding the nuclear provisions of the Clean Energy Jobs Act will have an impact lasting literally hundreds of thousands of years. When you make a decision like that, you have to take the long view. The really long view. Please consider not just what the voters will think in November but what future generations will think.

Thank you very much.



Testimony on Senate Bill 450
Bob Seitz, Executive Director
Wisconsin Utility Investors, Inc.

Date?

I am Bob Seitz, Executive Director of Wisconsin Utility Investors, Inc.

WUI is a grassroots organization of individual investors in the shareholder owned utilities serving Wisconsin. The vast majority of our members are retired small investors with household incomes less than \$60,000 per year. A high percentage rely on dividends on stocks they have built up over a lifetime as their only source of income other than social security. They feel the issues we discuss directly and personally.

Beyond that, they are proud that their investments have built and supported the utility infrastructure that makes Wisconsin work.

Our members oppose SB 450 because they have always viewed their investments as making Wisconsin a better place for people to live and work. The idea that we will spend billions of dollars producing the exact same product – electricity on demand – that we produce today runs counter to a lifetime of common sense thinking.

The fear these retired people live with is that the state will recognize they have forced higher prices on consumers than the market can bear and will harm the companies we invest in in a shortsighted attempt to lower the impact on consumers. In recent years, the Public Service Commission has lowered the allowable rate of return on our investments because of the current cost pressures. Attempts have also been made to allow the PSC to mandate increased debt on shareholder owned utilities, again, to respond to the current cost pressure.

Reduced returns mean reduced income for retirees who rely on small investments as well as union, government and company retirement funds. These are very real impacts of this bill on people.

A hopeful provision of the bill for our members was the easing of the nuclear moratorium. Nuclear energy is Wisconsin's only viable form of carbon-free base-load energy. Nuclear is also the only significant means Wisconsin has to reduce the billions of dollars flowing out of our state for energy. The nuclear provisions in the bill must make this energy source

viable and provide the opportunity for our state to export energy and spread the cost of construction regionally. Why not have more highly paid nuclear energy workers in Wisconsin bringing income into our state?

Wisconsin has to work. Wisconsin only works if we have competitively priced reliable energy. This is not a jobs bill because it will raise our energy prices and lower reliability.

As a global warming fix, Wisconsin cannot have an impact without federal action. If the federal government acts, this bill is unnecessary. If the federal government does not act, this bill is ineffective.

The best response this committee can make is to eliminate the nuclear moratorium and encourage this clean, safe source of Wisconsin produced energy and a genuine Wisconsin energy export.



Memorandum

Date?

TO: The Senate and Assembly Select Committees on Clean Energy

FR: The Coalition for Clean Energy:

Wisconsin Council of Churches

Citizens Utility Board

Clean Wisconsin

Wisconsin Community Action Program (WisCAP)

League of Women Voters of Wisconsin

Environmental Law & Policy Center

Wisconsin Environment

Midwest Environmental Advocates

Physicians for Social Responsibility

Sierra Club, John Muir Chapter

Wisconsin League of Conservation Voters

RE: Priorities for improvements to the CEJA (SB 450 and AB 649)

We want to again thank Senators Miller and Plale and Representatives Black and Soletski for all their hard and diligent work over the past year to complete this historic bill draft that has the potential to create thousands of clean energy jobs, lower energy bills for home owners and businesses and begin to make significant intentional reductions of greenhouse gases.

We want to make sure that you understand our priorities for both improving this bill draft and for protecting the many important policies embodied in this draft.

First and foremost, we want to convey the context in which we view these priorities for potential changes to the draft going forward. In our view the draft already reflects a significant compromise from the Global Warming Task Force (GWTF) recommendations. The most

important example of this compromise is the lack of any directive to regulate greenhouse gas (GHG) emissions. While we can all agree that it is critical for Congress to adopt comprehensive GHG regulations the GWTF recommendations clearly call on Wisconsin to “provide leadership in the development of a Midwest cap and trade program.” Yet the draft does not include any directive to the state to take steps toward participating in such a regional regulatory program.

Nonetheless, the draft is very comprehensive in its promotion of clean energy technologies and a critical step towards making the GHG emission reductions recommended by the GWTF. In order to make even half the reductions recommended, and in order to maximize the job creation and economic recovery benefits of the legislation, we respectfully offer the following priorities for strengthening the bill draft:

1. Restore and protect the integrity of the Renewable Energy Standard (RES) (Renewable Portfolio Standard – RPS – in the current draft). The draft has at least four obvious compromises to the definition of the RES already. We hope to eliminate the most egregious and unnecessary of these (e.g. thermal output from coal-fired cogeneration facilities, burning of municipal solid waste, geothermal), and obviously place the highest priority on not weakening that definition further (e.g. allowing any more efficiency to count towards the RES).
2. Strengthening the language to ensure that Wisconsin does meet the 2 percent energy efficiency goal by **requiring** the Public Service Commission to direct efficiency investments necessary to reach that 2 percent goal. This is also consistent with what the GWTF recommended.
3. Increase the percentage of renewable energy that must be sited in Wisconsin to at least half of renewable energy generation required under the bill (i.e. 12.5% in 2025). This is extremely important in making sure that this legislation really does create as many clean energy jobs as possible, and is especially helpful in promoting good-paying, component manufacturing jobs in Wisconsin.
4. Give state agencies more directive, and stakeholders more certainty, in developing a low-carbon fuel standard (LCFS) by including the specific standard, or target, or reducing carbon in our fuels by 10 percent by 2020 (as the GWTF recommended); and remove the requirement that a majority of the Midwest Governors need to approve the Midwest Governor’s Model LCFS rule when it is developed. Both of these changes are consistent with what the GWTF recommended.
5. Ensure that those most vulnerable in our society are protected by including provisions which protect Wisconsin’s low-income public benefits program from any future funding ‘raids’ and make whole its commitment to energy self-sufficiency for low-income households, particularly in rural areas, by expanding the bill’s provisions to include LP gas and heating oil users in energy efficiency programs to also include low-income programs.

6. Implement the Transportation Workgroup recommendation that WisDOT grant financial assistance to communities that are implementing walkable, compact community design standards.
7. Inclusion of additional task force recommendations related to land-based activities (Forestry and Agriculture) that result in carbon sequestration (storage) and/or reduced GHG emissions.
8. Strengthen the Advanced Renewable Tariffs (ART) language by making it apply statewide – giving all consumers the opportunity to develop renewable resources – and by including a statewide minimum MW cap and a minimum project size cap.
9. Include labor standards and local hire requirements for the RES, ARTS, and certain energy efficiency policies as well as job training programs and investments consistent with the GWTF recommendations. This is critical to maximizing the number of good quality, family-supporting jobs created by this legislation.

Additionally, the bill misses the opportunity to implement the following GWTF recommendations that we feel should have been included:

1. Enhanced water efficiency and conservation
2. Recovery of untreated wood wastes
3. Enhanced statewide recycling
4. Reduce landfilling of food wastes
5. Forest Legacy Program

Thank you for your time and consideration of these important policies, and we look forward to working with you to make this the strongest legislation possible for Wisconsin.