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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)

Global warming bill kills state jobs

By Scott Manley, Environmental Policy Director

Higher electric bills will not create jobs. Making gasoline more expensive will not create jobs. Significantly increasing the cost of doing business in Wisconsin will not create jobs. Taking more money from Wisconsin families will not create jobs. Yet those outcomes are exactly what voters can expect if Wisconsin adopts Gov. Jim Doyle's proposed global warming legislation.

Under the clever disguise of "green jobs" creation, Doyle is calling for passage of a Wisconsin global warming bill that will drive up our energy costs and result in staggering job loss.

A recent economic study by the Wisconsin Policy Research Institute found that adopting these expensive policies would result in more than 43,000 lost jobs statewide.

Driving these job losses are energy policies that will cost Wisconsin consumers billions of dollars over the next decade. For example, the proposed 25% renewable electricity mandate would cost electric customers more than \$16 billion alone. That's nearly three times as much as Wisconsinites spend on electricity each year.

The so-called Low Carbon Fuel Standard would cost Wisconsin motorists more than \$3.2 billion in higher gas prices, according to the WPRI study. This global warming gas tax could cost consumers as much as 61 cents per gallon, according to a study by the Marshall Institute.

All told, these expensive policies are projected to cost each Wisconsin family more than \$1,000 each year by the time they are fully implemented. Worse yet, the supporters of this misguided bill have not identified any meaningful benefit that would be achieved relative to global temperatures or climate.

Wisconsin families cannot afford these tremendously expensive policies given our current recession and fragile economy. Wisconsin has the single-most manufacturing-intensive economy in the country. Our family-supporting manufacturing jobs pay an average wage of \$62,959 - more than 35% higher than the state average.

Unfortunately, we already have lost 160,000 manufacturing jobs in the past decade, including 60,000 jobs lost since 2008 alone. If we want to reverse this trend, we must find a way to control Wisconsin's electric rates, which have increased faster than those in any other Midwestern state over the past decade.

Manufacturing jobs depend on access to affordable and reliable electricity, and we cannot expect to attract or retain these jobs if we make electricity more expensive with go-it-alone state global warming regulations.

Wisconsin Manufacturers & Commerce commissioned a statewide poll last fall from a highly respected national pollster. The survey showed that while voters view jobs and the economy as the most important issue for the state Legislature, global warming scored dead last, with only 1% support.



By a three-to-one margin, voters oppose spending even \$25 per month to pay for global warming regulations. The intensity of this opposition was spread across the political spectrum, with Democrats, Republicans and Independents all opposed to paying more.

Voters are right to be skeptical of politicians who promise to create jobs by taking more money out of the family budget. Consider European countries, such as Spain and Germany, which tried and failed to create "green jobs" with expensive renewable energy regulations.

Spain lost 2.2 permanent jobs for every temporary "green job" created through expensive government subsidies. Germany spent up to \$240,000 of taxpayer money for each "green job," and most of those jobs vanished when the government subsidies went away. Wisconsin cannot afford to repeat those mistakes.

Doyle's global warming bill will increase the cost of electricity, increase the cost of gasoline, make it more expensive to do business here than in other states and take more money out of the pockets of Wisconsin families.

Despite the authors' best intentions, the Wisconsin global warming bill will further accelerate the historic job losses that have already occurred. Rather than hitting our economy with expensive new energy regulations, the Legislature should help Wisconsin businesses pursue the research and development of clean energy technologies.

If lawmakers are serious about creating jobs, they should focus on cutting taxes, controlling government spending, reducing bureaucratic red tape and putting a stop to lawsuit abuse.

Wisconsin cannot and should not try to singlehandedly tackle global climate change. Instead, legislators should focus on enacting business climate change in Wisconsin.

Scott Manley is environmental policy director for Wisconsin Manufacturers & Commerce.



WIEG worried about costs, mandates in climate change bill

The Wisconsin Industrial Energy Group represents some of the biggest energy users in the state.

So they're particularly sensitive to any changes in energy policy and costs because of one thing, says executive director Todd Stuart.

"Everything is at stake for them," Stuart says in a new WisPolitics interview.

WIEG is one of the 23 business groups that signed onto a letter last month expressing opposition to climate change legislation stemming from the Governor's Task Force on Global Warming. The groups warned the legislation would further hamstring a struggling economy, and Stuart compared the proposed requirements to throwing an anchor to a drowning man.

"We're not sure exactly how driving energy costs higher is going to be a recipe for job creation," Stuart said, expressing doubt about the gov's claim that the legislation could help create thousands of "green" jobs.

Stuart said the state's business community is already under enormous pressure because of energy costs. The state embarked on a major utility construction boom over the past decade, and those costs are being borne by ratepayers as utilities seek to upgrade power plants and infrastructure.

That alone has helped push the state's energy rates from some of the lowest in the Midwest to some of the highest. Add in new environmental controls to rein in mercury emissions and push the state's reliance on renewable energy to 10 percent, and those cost pressures are being pancaked on top of each other.

Stuart says he continues to see examples of large employers shutting down because of high costs.

"If we're not careful, more jobs are going to be lost and that will cancel out any green jobs created by an artificial mandate," he said.

Stuart said his members' concerns center around cost and the mandate to get 25 percent of the state's power from renewable energy sources. Still, some of those concerns could be eased if lawmakers included some kind of cost containment measures in the legislation.

The task force discussed some measures to protect large customers from drastic cost increases and other steps to make the changes more palatable to business. But they weren't included in the final report, Stuart said.

"We're worried on the one hand you want to raise our costs, but on the other hand you don't provide any sweeteners, either," Stuart said.

1/19/10

J.R. Ross
Editor, WisPolitics

Todd Stuart
Executive Director
Wisconsin Industrial Energy Group





RENEW Wisconsin

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IMMEDIATE RELEASE
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RENEW denounces WMC's "fact-free flip-flop" in radio ad on energy bill

RENEW Wisconsin's Executive Director Michael Vickerman assailed the credibility of a new radio ad launched by Wisconsin Manufacturers and Commerce (WMC) that characterizes the Clean Energy Jobs Act bill as an unaffordable extravagance.

"WMC executed an astonishing fact-free flip-flop with its claim that the legislation (AB 649/SB 450) would raise an average family's electricity bill by more than \$1,000 a year. What's astonishing about it that WMC is conveniently forgetting existing ratepayer protections, which it endorsed – and claimed credit for -- when similar legislation passed in 2006," Vickerman said.

When the state's current renewable portfolio standard (RPS) was passed (which directed utilities to source 10 percent of their electricity from renewable generation by 2015), WMC ran an article on its website with the headline "'Energy Efficiency and Renewables Act' Will Protect Ratepayer Dollars." That article can be accessed at <http://www.wmc.org/display.cfm?ID=1256>.

The article says that WMC was instrumental in ensuring that "ratepayer groups will have a clear opportunity to seek delays in the implementation of new renewable portfolio standards, should they have an unreasonable effect on electric rates."

The Clean Energy Job Act bill would continue those ratepayer protections enacted in 2005 Act 141. So far no utility or energy advocacy group has requested an implementation delay under the current renewable energy standard.

In order for an average family's bill to increase \$1,000 a year, according to Vickerman, electric rates would have to double.

“That will never happen because groups like WMC, Citizens Utility Board, and the Wisconsin Industrial Energy Group would intervene aggressively on behalf of their member using the existing ratepayer protections,” Vickerman stated.

Since the adoption of Act 141’s renewable energy requirements, Madison Gas and Electric’s residential ratepayers have seen annual increases of only 0.8 percent through 2009, even though the utility is already in compliance with the 2015 standard, added Vickerman.

“This outrageous claim is just another example of WMC’s decision to lob grenades instead of working constructively to forge a responsible partnership with all parties to create family-supporting jobs in the clean energy sector,” Vickerman said.

“It’s clear that WMC made up its mind to oppose the Clean Energy Jobs Act bill long before its contents were even known to the public,” Vickerman stated.

“There is no more obvious proof of this than WMC’s sponsorship of a so-called study by the Wisconsin Public Research Institute (WPRI) that claims that the bill’s provisions to expand renewable energy supplies would cost utilities \$16 billion.”

RENEW previously critiqued the WPRI report in a report titled “Think Tank Flunks Renewable Energy Analysis.” (http://renewmediacenter.blogspot.com/2009/12/think-tank-flunks-renewable-energy_22.html)

“WPRI’s assertions demonstrate yet again that if you torture your economic models long enough, they will confess to anything,” Vickerman said.

END

RENEW Wisconsin (www.renewwisconsin.org) is an independent, nonprofit 501(c)(3) organization that acts as a catalyst to advance a sustainable energy future through public policy and private sector initiatives.



RACINE JOURNAL TIMES

FEB 5, 2010

LETTERS FROM READERS

SEND YOUR LETTERS TO: letterstoeditor@journaltimes.com

Helping children

There is a new bill being introduced into our State Legislature (Senate Bill 332, Assembly 508) that would make a tremendous stride toward the ultimate goal of shared parenting after divorce by default. National polls have shown that 85 percent of people support shared parenting, yet in Wisconsin so called "family courts" still don't adhere to the shared parenting law passed in 2000 that states that "family" courts must choose the parenting plan submitted by both parents that maximizes contact with both parents. The current bill would require custody evaluators to provide copies of their reports and recommendations to both parents at least 10 days before a final hearing. Also, these third-party experts will have to present their reports in person, in court, and respond to questions and challenges from parents who might dispute them for good reasons. This bill seems like common sense; however, I can

say from personal experience that this rarely happens. Speculation, allegations and innuendo play a strong role in unfairly and inaccurately restricting a child's right to both parents. We're several decades into the no-fault divorce era now. The priorities of third-party professionals whose reports influence judges' decisions, however, are anything but no-fault. All the more reason to support and approve this bill. Kids need and deserve a strong relationship with both parents.

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Advocates for Creating Renewable Energy

Below is an article from Wind Energy Weekly, announcing plans of Ingeteam to locate a new wind turbine generator manufacturing facility in Milwaukee, creating 275 new manufacturing jobs. As stated in the article, Ingeteam was attracted to Wisconsin by the increase in demand for renewable energy that will be provided by the Enhanced Renewable Portfolio Standard included in the Clean Energy Jobs Act. This is just one example of the benefits an Enhanced Renewable Portfolio Standard will provide for our state through more job creation and economic growth.

ACRE is a broad coalition of renewable energy businesses, labor groups, and environmental organizations advocating for passage of an Enhanced Renewable Portfolio Standard and Renewable Energy Buyback Rates included in the Clean Energy Jobs Act. For further information on ACRE, contact Shaina Kilcoyne at (608) 251-0101 or kilcoyne@cwpb.com.

WIND ENERGY WEEKLY

THE LEADING E-NEWSLETTER FOR THE WIND ENERGY INDUSTRY



WWW.AWEA.ORG

Spanish Wind Turbine Generator Manufacturer Ingeteam to Locate in Wisconsin

February 19, 2010

Continuing a trend of wind power supply chain manufacturers opening production facilities in the U.S., Ingeteam selected a brownfield site in Milwaukee, Wis., to open the company's first U.S. facility, which will produce wind power generators and converters as well as solar power inverters for the North American market.

An April groundbreaking is scheduled on the \$15 million, 100,000-square-foot production facility and office complex, and the company is targeting December for completion. Ingeteam, which plans to begin manufacturing operations in January 2011, will employ approximately 275 workers at the facility by 2015. At full capacity, the Milwaukee plant will supply equipment capable of producing 7,500 MW of electricity each year. Ingeteam,

based in Bilbao, Spain, specializes in highly engineered electrical and electronic equipment and services.

The announcement of the plant and its location on a brownfield site in Milwaukee illustrates the industry's affinity for a wide range of locales across the country, including current and historic U.S. manufacturing hubs. In selecting Milwaukee, the company considered the city's location in proximity to the distribution of its products as well as its "solid industrial base from which Ingeteam can source materials," said Ander Gandiaga, the company's corporate director for international development.

"Milwaukee also has a labor pool experienced in electrical manufacturing," said Aitor Sotes, CEO of Ingeteam's U.S. operations. "In addition, the area boasts prestigious universities with some of the highest-ranked engineering departments in the country that offer specific courses in renewable energy, which will be very useful when it comes to finding specialized staff."

AWEA Director of Business Development Jeff Anthony said that during the event announcing the plant, Ingeteam officials and others cited the anticipated growing demand for wind power in Wisconsin and nearby states as a key consideration in choosing Milwaukee. Wisconsin has a renewable electricity standard (RES) of 10% by 2015, and legislation championed by Governor Jim Doyle (D) is pending to boost the standard to 20% by 2020 and 25% by 2025.

Other nearby states, meanwhile, have adopted renewable targets as well, creating an attractive wider market for Ingeteam. As the push for a federal RES has heated up in recent months, wind energy advocates have been pointing to the huge impact that strong and stable renewable policy can have on job creation. The Ingeteam announcement is further proof of the link between a strong RES and jobs, they said.

"The creation of well-paying jobs in an industrial section of Milwaukee that is undergoing redevelopment is what we need to see happen all over the U.S. as a continuing trend," said Anthony. "As several speakers mentioned in their remarks at this event, strengthening the state RES in Wisconsin and creating a federal RES will encourage more companies like Ingeteam to locate manufacturing facilities in the U.S. and grow the number of clean energy jobs in this country."

The combined effort of city and state officials was coordinated by the seven-county economic development agency for southeastern Wisconsin, the Milwaukee 7 group. Gale Klappa, chairman, president and CEO of Wisconsin Energy Corp. and co-chairman of Milwaukee 7, noted that the firm selected the Menomonee Valley and Milwaukee largely for the city's manufacturing roots and know-how. "We're delighted that after a nationwide search Ingeteam has chosen Milwaukee as the site for its first-ever manufacturing plant in the U.S.," said Klappa.



RENEW Wisconsin

222 South Hamilton Street, Madison, WI, 53703 • 608.255.4044 • www.renewwisconsin.org



Clearing Up Wisconsin's Lakes With Clean Energy

by Michael Vickerman, RENEW Wisconsin

February 19, 2010

In the next six weeks the Legislature will make a truly momentous decision on the state's energy future. Either it can embrace an ambitious 15-year commitment to invigorate the state's economy through sustained investments in clean energy or it can decide to coast along on current energy policies until they lapse and lose their force and effect.

For supporters of the Clean Energy Jobs Act, as it's now called, the economic stakes could not be higher. In their eyes, this legislation is necessary to organize the relatively undersized clean energy sector into an economic powerhouse that will generate jobs and help Wisconsin businesses remain competitive.

Unfortunately, those opposed to the legislation also believe that their economic livelihoods are at stake, and they have mobilized considerable resources to defeat this bill. Opponents are convinced that such a transition, due to its expense, will result in a net loss of jobs.

Arguably the most innovative feature in the legislation is a proposed requirement on larger electric providers to acquire locally produced renewable electricity with Advanced Renewable Tariffs (ARTs). These are technology-specific buyback rates that provide a fixed purchase price for the electricity produced over a period of 10 to 20 years, set at levels sufficient to recover installation costs along with a modest profit. Now available in more than a dozen nations in Europe as well as the Province of Ontario, ARTs have proven to be singularly effective in stimulating considerable growth in small-scale production of distributed renewable electricity.

Unlike standard buyback rates, which are based on the wholesale price of conventional energy sources (e.g., coal and natural gas), ARTs are pegged to the production costs of individual renewable energy technologies. Thus, the rates will be set differently for solar, biogas, wind and biomass. The buyback rates would apply only to small, renewably powered installations that utilities have no interest in building and operating themselves.

What about existing incentives from Focus on Energy and federal tax credits, you may ask? Aren't they sufficient to maintain a steady flow of installation activity for these smaller systems?

From what we've observed during our many years of interaction with the Focus on Energy renewable energy program, the current base of financial support is not sufficient to drive significant installation activity when utility buyback rates are pegged to the cost of operating 40-year-old coal plants. It's unrealistic to assume that a brand-new farm-sized renewable energy system, regardless of the resource used, can compete head-to-head with central station power plants that have been fully amortized.

However, when existing incentives and tax credits are supplemented with an additional source of financial support, such as higher buyback rates, installation activity picks up noticeably. When buyback rates or other additional contributions from utilities allow for the full recovery of installation in 10 years or less, a major investment barrier is breached.

Consider the much-vaunted Dane County Cow Power Project, which should be operational before the end of the year. Using anaerobic digestion technology, this Waunakee-area installation will treat manure from three nearby dairy farms and produce biogas that will fuel a two-megawatt generator. This community digester project, the first of its kind in Wisconsin, will be built with private capital and a State of Wisconsin award to support a technology that reduces the flow of phosphorus into the Yahara Lakes. A second digester project is also planned for Dane County.

While the up-front incentives are certainly important, the key element that makes the financing of this project work is the special biogas buyback rate that Alliant Energy, the local utility, had voluntarily put in place a year ago. With the higher rate, the project's return on investment was sufficient to interest outside investors.

Unfortunately, once this initiative reached its predetermined capacity limit, Alliant discontinued the special biogas rate. This complicates matters for future digester installations, in that the other utilities that serve Dane County, including Madison Gas & Electric, do not offer special buyback rates to customers who generate electricity from biogas. The only utility that has an active biogas tariff is Milwaukee-based We Energies, but that's of little solace to Dane County dairy farmers who live outside that utility's territory.

Indeed, unless a policy is adopted statewide that requires utilities to increase their purchases of locally generated renewable electricity, there is no guarantee that Dane County will see a second digester project built. Keep in mind that Dane County is home to 400 dairy farms and 50,000 dairy cows, and that this \$700 million/year industry also churns out more than two billion pounds of nutrient-rich manure each year that can harm area lakes and streams.

If we are serious about neutralizing the algae blooms that turn the Yahara Lakes green each year, we'll need to adopt a clean energy policy that facilitates the development of biodigesters in farm country. Higher buyback rates are a necessary part of that policy. And let's not stop there. Higher buyback rates will also support the installation of small wind turbines and solar systems at schools, businesses and local governments.

The Clean Energy Jobs Act will address the long-overdue question of buyback rates, and if it's passed, the legislation will direct badly needed investments and job-creating opportunities into the local economy. Please communicate your support for this bill by writing letters to your state legislators and to your local newspaper. But time is of the essence – there are only three more working weeks left in this legislative session.

Michael Vickerman is the executive director of RENEW Wisconsin, a sustainable energy advocacy organization headquartered in Madison. For more information on the Clean Energy Jobs Act bill (SB450/AB649), visit RENEW's web site at: www.renewwisconsin.org.



RENEW Wisconsin

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Of Molehills and Renewable Energy Purchases

by Michael Vickerman, RENEW Wisconsin
February 22, 2010

As the Legislature mulls over the pending comprehensive energy bill known as the Clean Energy Jobs Act (SB 450/AB 649), both supporters and opponents have been keeping their artillery banks busy, peppering the airwaves and cyberspace with press releases, position papers, radio advertisements and economic impact studies. It's a veritable war of words out there.

In pursuit of the larger objective of undermining public support for that bill, several opponents of the energy bill are attempting to manufacture a controversy out of the State of Wisconsin's purchasing of renewable electricity, an outgrowth of the state's current energy policy law (2005 Act 141). That law directed the State of Wisconsin to source 10% of its electrical usage from renewable resources by 2007 and 20% by 2011. In the initiative's first year, the purchase of renewable energy added \$1.4 million, or 1.7%, to the state's overall electric bill.

The critics, led by Rep. Brett Davis (R-Oregon), contend that the state's purchase is a budget-straining extravagance that taxpayers cannot afford at this time. In a letter sent to the Department of Administration, Davis insinuated that one of the energy purchase contracts amounts to a sweetheart deal for the utility provider, WPPI Energy, because it charged higher premiums than the other two utilities. Davis has asked the Legislative Audit Bureau to review the WPPI contract. WPPI, it should be noted, is a nonprofit wholesale energy provider serving more than 40 municipal electric utilities in Wisconsin.

Before we plunge into the politics behind this puffed-up molehill, a brief primer little on energy pricing is in order. First and foremost, the renewable energy in question is acquired by the state under long-term contracts that set forth a fixed price. Whether we're talking about windpower, solar or biogas, the price of that resource remains steady over time. It does not yo-yo up and down the way certain fossil fuel prices do.

By contrast, an unregulated energy commodity like natural gas is especially susceptible to price volatility. Even though natural gas is primarily used as a heating fuel in Wisconsin, its price behavior strongly influences wholesale electricity costs at the margin.

Back when the State of Wisconsin signed its contracts with its renewable energy providers, natural gas prices were significantly elevated. After July 2008, they plummeted, which took the air out of wholesale electric markets. As a result, the cost differential between conventional energy and renewable energy widened going into 2009. But the renewable resources didn't become more expensive; their costs stayed the same as it was two years ago.

The energy provided by WPPI Energy comes from the Forward Wind Energy Center located in Fond du Lac and Dodge counties. Keep in mind that the Forward project is a local energy source; no state dollars leave the state to procure the electricity. This 129-turbine installation pumps more than \$1 million a year into the local economy in the form of land rental payments, local

government revenues and maintenance crew salaries. Not a single dollar from the State of Wisconsin stays with WPPI Energy.

The State's arrangement with WPPI Energy is nothing more than a standard hedge contract. This type of arrangement is common between suppliers of propane or fuel oil and their customers. Those businesses routinely offer their customers an opportunity to lock in a certain fuel price in advance of the heating season. Sometimes it works out for the customer, sometimes it doesn't. But many customers and suppliers elect to enter into hedged contracts, because both parties can lock in their fuel expenses for the winter regardless of how the energy markets behave.

Yet, if wholesale electricity prices are slumping, then so is the cost of heating buildings with natural gas. According to a recent post by Milwaukee Journal Sentinel reporter Tom Content, residential and business customers are spending 15% to 30% less on heating bills this winter. The primary cause of the reduction in heating bills is the ongoing slump in the price of natural gas.

Content goes on to say that while electric rates rose at the beginning of this year, the savings on the heating side are neutralizing the impact on customer pocketbooks. If you and I and every other utility customer are seeing significant reductions in our heating bills, then it stands to reason that the State of Wisconsin is too. Put another way, the very dynamic that lifted renewable energy premiums last year also lowered energy bills statewide this winter.

Most people expect fossil fuel prices will rise again, and history will not disappoint them. Rep. Davis knows this too, which is why he and every other Republican legislator except one lone dissenter voted in favor of the state renewable energy purchasing initiative four years ago. But the Republicans were in the majority back in 2006, and thus took credit—deservedly so—for their leadership in passing Act 141.

In a further irony, the source of Davis's ire was a pet policy of a fellow Republican legislator, former representative Scott Jensen. As a member of Gov. Doyle's Task Force on Energy Efficiency and Renewables, Jensen championed the idea of the state acting as a "model customer," whose leadership by example serves to educate other customers on the virtues of renewable energy.

But the real reason why Rep. Davis and others have sought to make a federal case out of this molehill is to blow up the Clean Energy Jobs Act bill before it can pass a Legislature that is, this time around, controlled by Democrats. Unlike their rivals four years ago, Republicans don't see any electoral advantage to working with the majority party on this bill, even though it is clearly the most important economic development initiative that the Legislature will entertain this session.

During most of my 19 years as a renewable energy advocate, there has been an implicit recognition that both parties should share in the risks and rewards associated with something as fundamentally important as state energy policy. But times have certainly changed. Bipartisanship is completely MIA in this debate, as evidenced by the unnecessary and unconvincing posturing over the state's renewable energy purchase. To echo the great Irish poet W.B. Yeats, the center is not holding.

Michael Vickerman is the executive director of RENEW Wisconsin, a sustainable energy advocacy organization headquartered in Madison. For more information on the Clean Energy Jobs Act bill (SB450/AB649), visit RENEW's web site at: www.renewwisconsin.org.





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Organic Valley Supports Clean Energy Jobs Act
*Proposed Wisconsin Legislation will Encourage Investment in
On-Farm Renewable Energy Development*

LA FARGE, Wis. – Apr. 13, 2010 - Commitment to renewable energy will help the economy grow, decrease dependence on fossil fuels, and create a healthier environment for future generations. Acknowledging the widespread benefit of renewable energy development to farmers and rural America, Organic Valley today pledges its support of the renewable energy provisions within the Clean Energy Jobs Act, currently being considered by the Wisconsin legislature. As a farmer-owned cooperative of 1,652 organic family farms, Organic Valley takes a strong interest in the health and sustainability of small-scale family farms and rural communities. The cooperative has embraced renewable energy as a clean, responsible way to provide farmers with a reliable, homegrown source of energy and a consistent source of income.

“Organic Valley farmers are conscientious,” said Cecil Wright, vice president of sustainability and local operations for Organic Valley. “We care about what goes into our products and the impacts our agricultural practices have on our local environment. Legislation to encourage renewable energy development will provide more opportunities for our members to make their farms more productive and environmentally sound.”

The Clean Energy Jobs Act includes an Enhanced Renewable Portfolio Standard (RPS), which will allow Wisconsin residents to receive 25% of electricity from renewable energy by 2025, with at least 10% of electricity coming from renewable energy sources within the state. In addition, the bill includes provisions which encourage small-scale renewable energy generation, which would enable Wisconsin families considering energy projects such as manure digesters, small wind turbines and solar projects to move forward.

“Organic Valley promotes on-farm renewable energy projects through our Farmer Renewable Energy Program,” said Wright. “Passage of this legislation will allow more members to participate in the program and offset some of their energy costs, creating even more sustainable farms.”

Utilities currently participate in a variety of voluntary programs for farmers, homeowners, and businesses looking to install small-scale renewable energy systems. This patchwork of policies is problematic, but a single statewide policy to promote small-scale renewable energy, as proposed, would ensure a consistent, reliable market, creating more investment opportunities

for rural Wisconsin and benefitting the state's economy, environment and citizens well into the future.

For more information about the Clean Energy Jobs Act, please visit RENEW Wisconsin's FAQ page at www.renewwisconsin.org/policy/CEJA/CleanEnergyJobsFAQ.htm

Organic Valley Family of Farms: Independent and Farmer-Owned

Organic Valley is America's largest cooperative of organic farmers and is one of the nation's leading organic brands. Organized in 1988, it represents 1,652 farmers in 33 states and four Canadian provinces, and achieved \$520 million in 2009 sales. Focused on its founding mission of saving family farms through organic farming, Organic Valley produces a variety of organic foods, including organic milk, soy, cheese, butter, spreads, creams, eggs, produce and juice, which are sold in supermarkets, natural foods stores and food cooperatives nationwide. The same farmers who produce for Organic Valley also produce a full range of delicious organic meat under the Organic Prairie Family of Farms label. For further information, call 1-888-444-MILK or visit www.organicvalley.coop, www.organicprairie.coop and the cooperative's farmer website, www.farmers.coop. Organic Valley is also on Twitter @Organic_Valley and Facebook www.facebook.com/OrganicValley.

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Why Cooperative Network Opposes the Clean Energy Jobs Act

Higher energy costs are a guaranteed consequence of the revised Clean Energy Jobs Act. Cooperative Network estimates the legislation will escalate electricity costs by more than \$960 million annually. Additionally, the bill proposes to assess new energy conservation fees on each gallon of propane and heating oil sold, resulting in a double whammy for most rural residents. The legislation will increase financial burdens on individuals who already cannot afford their energy bills. Quite literally, some could be left in the cold.

The Dollars and Cents of the Clean Energy Jobs Act

Dairy farmers and rural residents who purchase power from their local electric cooperatives have asked how implementing the Clean Energy Jobs Act will affect their electric bill. While you



would expect such a simple question to be easy to answer, the fact is very few details related to the cost of the Clean Energy Jobs Act are available. However, in 2009, the Wisconsin Public Service Commission estimated the capital investment needed to achieve 25% renewable electricity by 2025 (25 x 25) at \$14.8 billion¹.

Doing the math at www.cooperativenetwork.coop

On average, that's about a \$20/month increase for each and every electric cooperative consumer. Households generally use less electricity than farmers and would see

rates increase by about \$15. On the flip side, a farmer uses considerably more electricity than a typical household and a producer with dairy herd of 150 animals could see a cost increase of \$200 or more each month. Rather than speculating in generalities, Cooperative Network developed an *on-line electric bill calculator* to help consumers determine the cost for themselves, using information from their current bill. To access the calculator, visit www.cooperativenetwork.coop and click on the calculator graphic.

State Energy Legislation Leads to Higher Electric Bills for Rural Consumers

Early in January as the authors of the Clean Energy Jobs Act were preparing to introduce the legislation, Cooperative Network raised serious concerns regarding the potential costs and benefits for rural Wisconsin. Touted as a product of the Governor's Global Warming Task Force, the bill lacked two-thirds of the task force's recommendations, many intended to offset one outcome of the legislation, higher energy prices. Absent were policies to encourage forest and agricultural practices that reduce greenhouse emissions or help sequester carbon. Without sufficient state resources to support a balanced approach, the legislation shifted to a regulatory focus with mandates as its centerpiece.

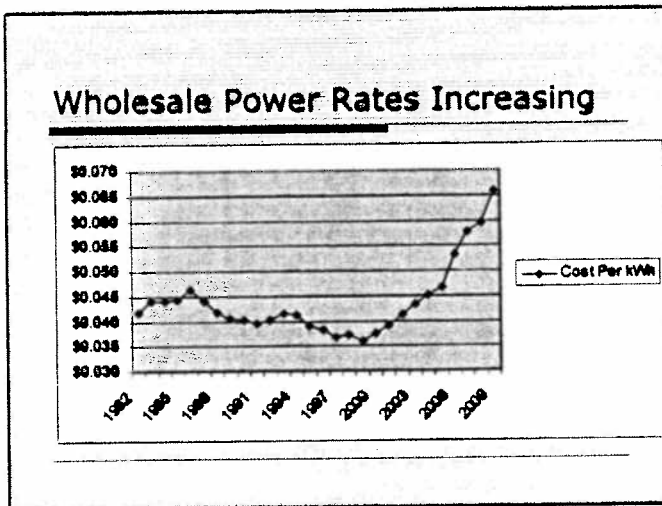
The goal of the legislation—to reduce greenhouse gas emissions—was also diminished with the decision to pare back a number of task force recommendations that added to greenhouse reduction estimates. From the start, the task force's estimates fell dramatically short of the governor's reduction goals and subsided further due to the number of pared-down recommendations.

¹ *Strategic Energy Assessment 2014*, Wisconsin Public Service Commission, April 2009.

With the adoption of a substitute amendment, the 25 x 25 enhanced renewable portfolio standard remains unchanged and will guarantee much higher electric rates in the near future. Cooperative Network estimates that electricity rates alone will escalate by more than \$960 million annually to pay for the collective \$14.8 billion investment that will be required of the state's utilities.

Electricity Prices on a Tear, Legislation Certain to Accelerate Pace

Wholesale electric rates for a typical western Wisconsin electric cooperative over the past decade have accelerated dramatically, 45 percent just in the past five years.



There are multiple reasons for this. Some are necessity: new transmission lines, to shore up reliability, and new power plants to meet growing demand in the 1990s and early 2000s. Some are galling but inescapable: the dramatic increases in railroad shipping costs for power-plant fuel. *But then there are the discretionary costs—imposed on utilities and their customers by the policy preferences of legislative and regulatory bodies: the shift to a 90-percent mercury reduction rule when a 75-percent rule was already in place, statewide ozone regulation regardless of local air*

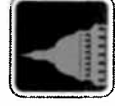
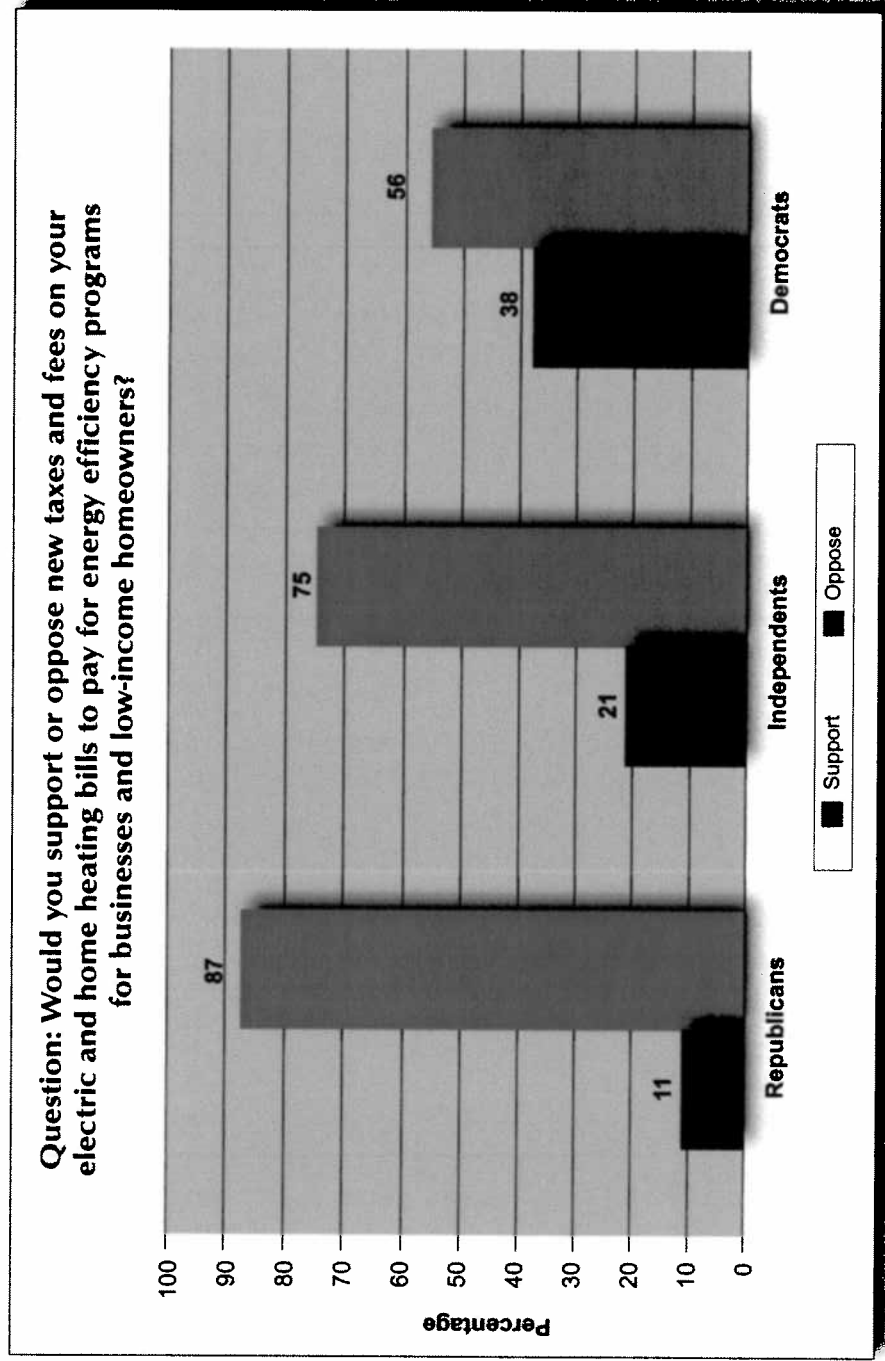
quality, the current 10 percent renewable energy standard. These represent costs estimated at more than \$6 billion.

Jumping to a 25 percent renewable standard would mean spending at least another \$14.8 billion. Not all the costs in the pipeline are yet reflected in wholesale rates, so they don't all appear in our graph, nor do any additional costs of reaching 25 x 25. *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.*



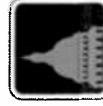
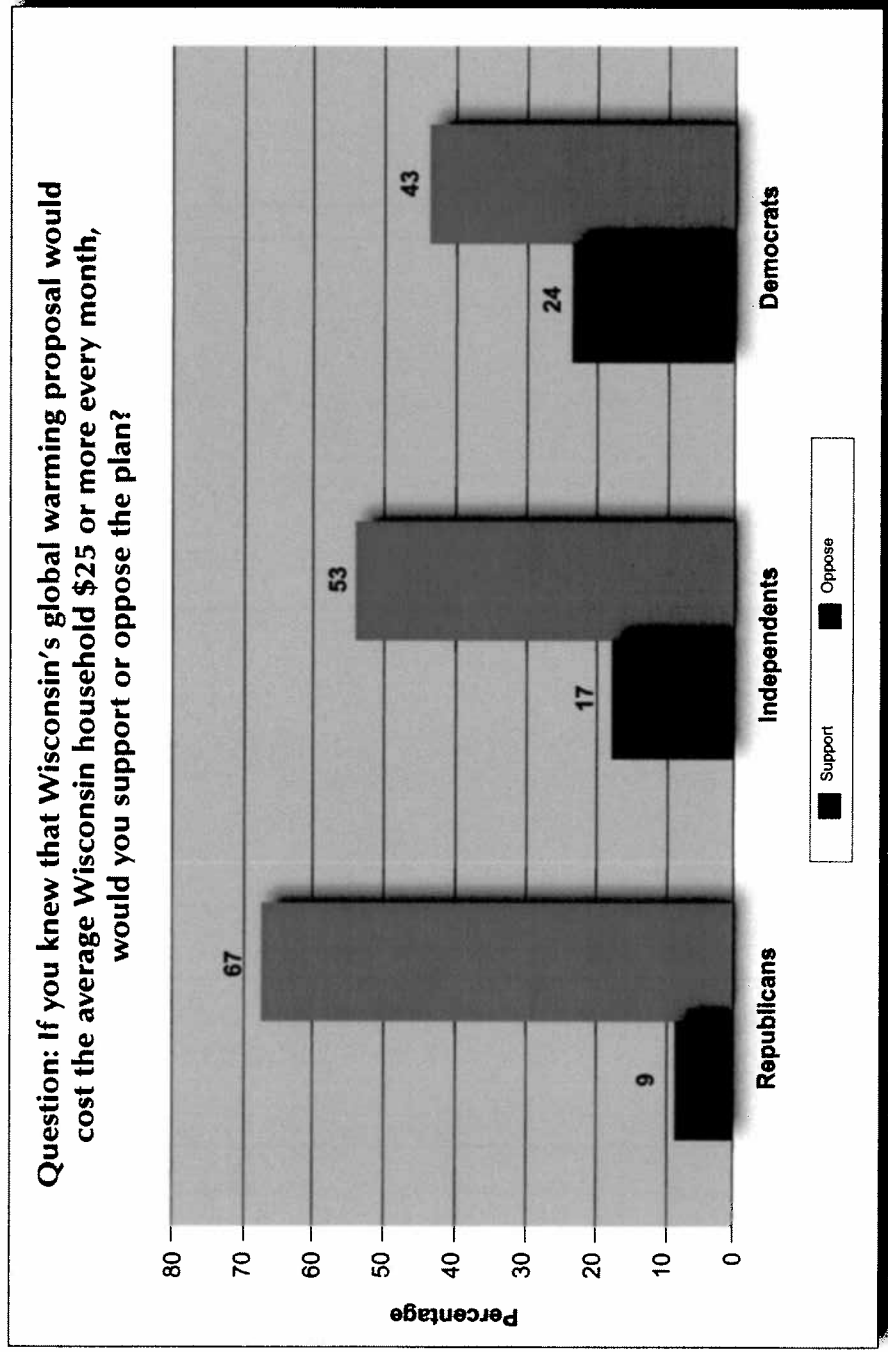
Voters Overwhelmingly Oppose New Taxes & Fees On Their Electric Bill To Pay For Energy Efficiency Programs

The PSC's Own Studies Confirm That AB 649 & SB 450 Will Increase The Tax On Monthly Utility Bills By \$700 Million Per Year – The Equivalent Of An 11% Increase In The Income Tax.



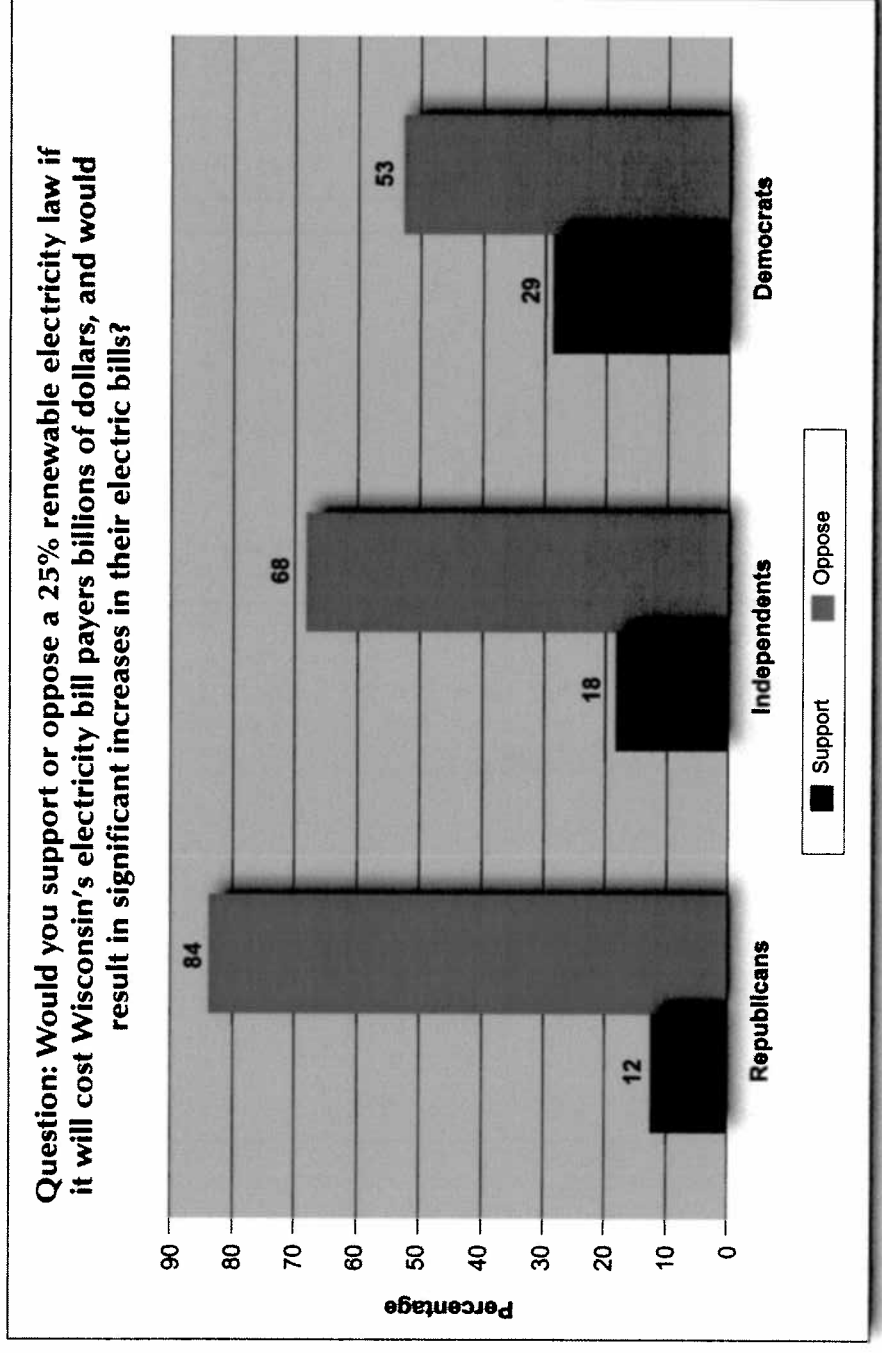
Voters Are Not Willing To Pay For Global Warming Legislation

There Is Strong Opposition To Spending Even \$25 Per Month To Pay For Wisconsin Global Warming Legislation.



Voters Overwhelmingly Oppose a 25% Renewable Portfolio Standard When They Learn It Will Increase Their Electric Bill

Wisconsin Utilities Have Confirmed The 25% RPS Will Cost Electric Customers At Least \$15 Billion



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WMC
WISCONSIN'S BUSINESS VOICE



The coalition for Clean, Responsible Energy for Wisconsin's Economy (CREWE) believes that Wisconsin is poised to transition to a strong economy powered by sensible policy.

The Public Service Commission (PSC) released a report that shows the impact from the Clean Energy Jobs Act Substitute Amendment (CEJA Sub) will result in cost-savings to consumers and businesses throughout the State of Wisconsin. According to the PSC, existing components of the CEJA Sub represent sound energy and economic policy for Wisconsin.

Findings from the PSC study include:

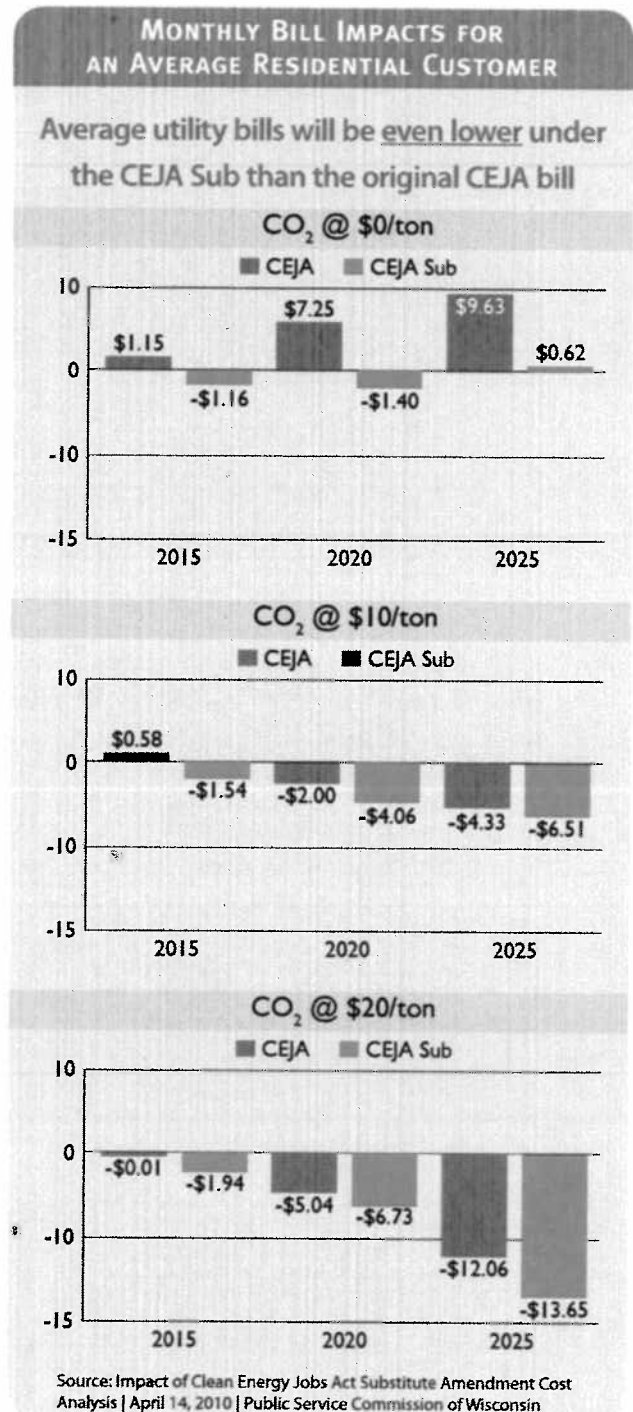
- Average utility bills will be lower under the amended act than under the status quo
- The energy efficiency provisions in the new CEJA Sub are virtually certain to save Wisconsin ratepayers billions of energy dollars over the next several years.
- The updated CEJA Sub cuts at least \$1 billion (and as much as \$3.7 billion) off the projected total cumulative cost of electricity from now until 2025, compared to an original bill.

To view the PSC's report, please visit:

<http://www.thewheelerreport.com/releases/apr10/april14/0414pscconstanalysisceja.pdf>

The coalition is dedicated to joining forces with other supporters to promote responsible policies that address climate change; create jobs; promote energy efficiency, reliability and independence; and mitigate the economic impacts of rising energy costs.

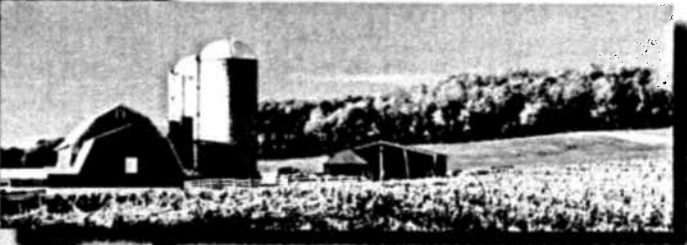
Energy costs to consumers are less under the CEJA Sub than the status quo (doing nothing).





Wisconsin's Strategy for Reducing Global Warming

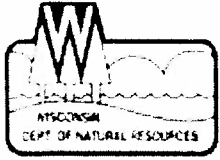
This book can be found in the Legislative Reference Bureau's library collection.



Governor's Task Force on Global Warming

Final Report to Governor Jim Doyle

July 2008



Task Force on Global Warming

Department of Natural Resources

Public Service Commission of Wisconsin



July 24, 2008

Governor Jim Doyle
115 East State Capitol
Madison, WI 53702

Dear Governor Doyle:

As Co-Chairs of the Governor's Task Force on Global Warming, we are very pleased to present you with the Task Force's Final Report (the Report). This Report was approved today by the diverse Task Force that you convened pursuant to Executive Order 191 (the Order). The Report represents the recommendations of an overwhelming majority of the Task Force.

The Report addresses each of the assignments set forth in Executive Order 191 in ways that will make Wisconsin a leader in addressing the significant challenges presented by climate change, substantially reduce Wisconsin's dependence on fossil fuel and advance the state's energy independence objectives. The Report recommends aggressive short and long-term goals for reductions of greenhouse gas (GHG) emissions that are consistent with Wisconsin's proportionate share of the reductions needed worldwide to minimize the impacts of global warming. The goals are (i) a reduction to 2005 emissions levels no later than 2014, (ii) a reduction of 22% below 2005 GHG emissions levels by 2022, and (iii) a reduction of 75% from 2005 GHG emissions levels by 2050.

The Report makes over 50 viable and actionable policy recommendations in the utility, transportation, agriculture and forestry and industry sectors, as well as a number of recommendations in other areas, including a proposed federal or regional GHG Cap and Trade Program. In accordance with the Order, many of the Task Force's recommendations identify ways to grow the state's economy and create new jobs arising from the opportunities created by addressing climate change. Careful attention also has been paid to mitigating the potential costs of the recommended policies on consumers and Wisconsin's industrial base.

In February of this year, the Task Force issued an Interim Report that included a number of early action recommendations. Those recommendations are incorporated into this Final Report. Early and prompt action to mitigate the impacts of climate change is essential for a number of reasons. They include the fact that greenhouse gases emitted today will affect climate many years into the future and the fact that early action will provide the time necessary for the development and commercial implementation of the new, clean technologies and new low-carbon fuel sources essential for the long term. Aggressive energy conservation and efficiency is the lowest-cost, most

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effective early action strategy available. It will not only reduce emissions, but also reduce utility bills for customers and defer the need for expensive, new power plants.

As Co-Chairs of the Task Force, we are very grateful for the confidence you have placed in us to shepherd this important effort. Addressing the issue of climate change is one of the most significant challenges that confronts Wisconsin, the nation and the world. Your strong leadership in establishing the Task Force, and in moving to implement the Task Force's recommendations, as has already occurred with many of the Interim Report recommendations, is very greatly appreciated. We pledge our support to help in whatever ways we can to enable Wisconsin to achieve the goals recommended and implement the policies set forth in this Report through legislation, regulation and voluntary action.

Finally, we wish to recognize the tremendous amount of work that has gone into this Report by members of the Task Force, staffs of their organizations and others who served on the many Task Force work groups, as well as the excellent state agency staff support, particularly from the Public Service Commission of Wisconsin and the Department of Natural Resources, that has been essential to the success of this effort. We are very pleased to report that throughout the process there has been active public participation in our work through attendance at meetings and the provision of numerous written and oral comments. The Report is the product of the work of a great many individuals. We are particularly pleased to forward it to you with the overwhelming support of Task Force members.

Sincerely,



Tia Nelson, Co-Chair



Roy Thilly, Co-Chair

FINAL REPORT BY THE GOVERNOR'S TASK FORCE ON GLOBAL WARMING

July 2008

Mission of the Task Force

The Global Warming Task Force was created by Governor Jim Doyle, pursuant to Executive Order 191 on April 5, 2007. The assignments of the Task Force are to:

- Present viable, actionable policy recommendations to the Governor to reduce greenhouse gas (GHG) emissions in Wisconsin and make Wisconsin a leader in implementation of global warming solutions.
- Advise the Governor on the ongoing opportunities to address global warming locally, while growing our state's economy, creating new jobs, and utilizing an appropriate mix of fuels and technologies in Wisconsin's energy and transportation portfolios.
- Identify specific short- and long-term goals for reductions in GHG emissions in Wisconsin that are, at a minimum, consistent with Wisconsin's proportionate share of reductions that are needed to occur worldwide to minimize the impacts of global warming.

This Final Report of the Task Force fulfills these duties.

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For more information about the Governor's Task Force
on Global Warming, visit:
<http://dnr.wi.gov/environmentprotect/gtfgw/>