

1979 Assembly Bill 777

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CHAPTER 350, Laws of 1979
(Vetoed in Part)

AN ACT to amend 71.04 (16) (c), 73.03 (2a), 101.57 (1) (intro.), (4) (a) and (b), (5) (intro.) and (b) to (d), (5g), (5r), (6), (7), (8) (a) and (b), (9) and (10) and 176.05 (1m); to create 13.48 (2) (h), 20.445 (1) (h), 59.87 (6) (em), 66.521 (2) (b) 17, 100.18 (9m), 101.175 and 101.57 (1d), (1n) and (8) (dm), (e) 1 and 2, (f) and (g) of the statutes; and to create chapter 34, laws of 1979, section 2006m (14), relating to various renewable alternative energy incentives, making appropriations and granting rule-making authority.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 13.48 (2) (h) of the statutes is created to read:

13.48 (2) (h) 1. In this paragraph:

- a. "Active solar energy system" means a solar energy system which operates with mechanical means, including but not limited to motors, pumps and valves.
- b. "Energy" means work or heat produced from any source.
- c. "Passive solar energy system" means a solar energy system which operates without mechanical means.
- d. "Photovoltaic solar energy system" means a solar energy system which converts solar energy directly into electricity.
- e. "Renewable energy resource system" has the meaning given under s. 101.57 (8) (a).
- f. "Solar energy" means radiant energy received from the sun.
- g. "Solar energy system" has the meaning given under s. 101.57 (8) (b).

2. The building commission may not authorize the release of funds for bidding and construction of any new building, structure, major remodeling or building addition as enumerated in the authorized state building program as required by s. 20.924 (1) (a) and (b), or such other projects as the commission determines to be appropriate, unless the design concept does all of the following for purposes of space heating and cooling and water heating:

- a. Provide maximum practical use of passive solar energy system design elements.
- b. Offer ~~the lowest~~ life-cycle cost estimates of the energy resource consuming system **Vetoed in Part** of the facility.
- c. Unless not justified on the basis of a technical and economic feasibility evaluation, incorporate an active solar energy system or photovoltaic solar energy system or other renewable energy resource system.

SECTION 3. 20.445 (1) (h) of the statutes is created to read:

20.445 (1) (h) *Local energy resource system fees.* All moneys received under s. 101.175 (5) to cover the cost of the seal and the cost of examining systems under s. 101.175 (5).

SECTION 9. 59.87 (6) (em) of the statutes is created to read:

59.87 (6) (em) Energy. Such program may consist of, but not be limited to, providing agents to conduct programs on energy conservation and renewable energy resource systems, conduct evaluations and provide planning, analysis and other technical support to community agencies and organizations, small businesses, individuals interested in energy conservation in local communities and primary and secondary school teachers.

SECTION 9m. 66.521 (2) (b) 17 of the statutes is created to read:

66.521 (2) (b) 17. Alcohol fuel production facilities.

SECTION 10. 71.04 (16) (c) of the statutes is amended to read:

71.04 (16) (c) No expenses incurred after ~~December 31, 1984~~, the close of a corporation's 1979 taxable year may be deducted, depreciated or amortized under par. (a).

SECTION 15. 73.03 (2a) of the statutes is amended to read:

73.03 (2a) ~~On or before January 1, 1965, to~~ To prepare, have published and distribute to each town, city and village in the state for use of ~~the assessor~~ assessors and ~~his~~ their staff ~~one or more~~ one or more detailed assessment manuals discussing and illustrating accepted assessment methods, techniques and practices with a view to more uniform and consistent assessments of property at the local level. ~~Such~~ The manual shall be amended by the department from time to time to reflect advances in the science of assessment, court decisions concerning assessment practices, costs, and statistical and other information deemed valuable to local assessors by the department. The manual shall incorporate standards for the assessment of all types of renewable energy resource systems used in this state as soon as such systems are used in sufficient numbers and sufficient data exists to allow the formulation of valid guidelines. The cost of the initial distribution of ~~such the~~ manuals and of the distribution of any amendments ~~thereto to such the~~ municipalities shall be borne by the requester at cost as determined by the department.

SECTION 16. 100.18 (9m) of the statutes is created to read:

100.18 (9m) It is deemed deceptive advertising to misrepresent the nature of a local energy resource system under s. 101.175.

SECTION 17. 101.175 of the statutes is created to read:

101.175 Local energy resource systems. (1) In this section:

(a) "Local energy resource system" means a solar energy system, a wind energy system or a wood energy system.

(b) "Solar energy system" means equipment which directly converts and then transfers or stores solar energy into usable forms of thermal or electrical energy.

(c) "Wind energy system" means equipment which converts and then transfers or stores energy from the wind into usable forms of energy.

(d) "Wood energy system" means ~~a safe, efficient and airtight woodburning stove or furnace used in a residence and installed in conformance with the one- and 2-family dwelling code under s. 101.63 or the manufactured building code under s. 101.73.~~

(1m) The purpose of this section is to establish statewide local energy resource system standards to promote accurate consumer evaluation of local energy resource systems and components thereof.

(2) Any manufacturer or retailer prior to the sale in this state of any local energy resource system or components thereof may request the department to issue a seal of quality for each system or component which meets or exceeds the quality standards established by the department under sub. (4).

(3) The department, in consultation with the department of agriculture, trade and consumer protection, shall establish by rule quality standards for local energy resource systems which do not impede development of innovative systems but which do:

(a) Promote accurate consumer evaluation of local energy resource systems and components thereof.

(b) Conform, where feasible, with national performance standards promulgated or recognized by the federal government for local energy resource systems.

(c) Promote the production, marketing and installation of local energy resource systems.

(4) The quality standards under sub. (3) shall include but are not limited to:

(a) The requirement of a warranty and minimum requirements for the contents thereof.

(b) The requirement of an operation and maintenance manual and minimum requirements for the contents thereof.

(c) Minimum specifications for materials, workmanship, durability and efficiency.

(d) A requirement that a local energy resource system meet the standards for certification under s. 101.57 (5) if the type of energy system is eligible for a refund grant under s. 101.57 (1).

(5) Upon request by any manufacturer or retailer of any local energy resource system or components thereof which meet or exceed the quality standards established under sub. (4), the department shall issue an appropriate seal of quality. The department may charge a fee to cover the cost of the seal and to cover the cost of examining the system or its components. ~~The fee for examining the system or its components may not be more than \$100.~~ **Vetoed in Part**

(6) Misrepresentation, misuse or duplication of the department seal of quality issued under sub. (5) shall be deemed deceptive advertising under s. 100.18 (9m).

(7) At the request of any buyer of a local energy resource system the department may inspect any local energy resource system necessary to ascertain compliance with this section.

SECTION 18b. 101.57 (1) (intro.) of the statutes, as affected by chapters 34 and (Assembly Bill 636), laws of 1979, is amended to read:

101.57 (1) (intro.) Any person other than a corporation or other than a cooperative as defined in s. 185.01 (1) or (2) owning a renewable energy resource system may apply for a refund of the percentage determined under sub. (1m) of the total cost of the design, construction, equipment and installation of the renewable energy resource system, but not exceeding \$10,000 of such costs per system if:

SECTION 18k. 101.57 (1d) of the statutes is created to read:

101.57 (1d) A person may apply for a refund under sub. (1) for the design, construction, equipment and installation of ~~an alcohol fuel production~~ system only if the person's **Vetoed in Part** primary residence is in this state.

SECTION 18q. 101.57 (1n) of the statutes is created to read:

101.57 (1n) For taxable years 1980 to 1985 any corporation or cooperative as defined in s. 185.01 (1) or (2) owning a renewable energy resource system or a cogeneration facility installed on the corporation's or cooperative's property in this state, or installed on residential property in this state under a leasing agreement between the corporation or cooperative as defined in s. 185.01 (1) or (2) and the owner of the residential property, may apply for a refund of an amount equal to 10% of the first \$1,000,000 of the total cost of the design, construction, equipment and, except for leased systems, installation of the renewable energy resource system or cogeneration facility if the system or facility is certified under sub. (4), if the installation of the system or facility is completed during the

year for which the refund is claimed and, in the case of a corporation, if the corporation is subject to the tax imposed upon or measured by the corporation's net income under s. 71.01 (1) and (2). Only a corporation having its commercial domicile in this state or a cooperative incorporated under ch. 185 may apply for a refund under this subsection for the design, construction, equipment and, except for leased systems, installation of an alcohol fuel production system.

SECTION 18r. 101.57 (4) (a) and (b) and (5) (intro.) and (b) to (d) of the statutes, as created by chapter 34, laws of 1979, are amended to read:

101.57 (4) (a) The alternative renewable energy resource system or cogeneration facility is a specified model which has been certified by the department as meeting the standards specified in sub. (5); or

(b) Based on design calculations or other appropriate documentation, specified by the department by rule, and submitted by the owner of ~~an alternative a~~ renewable energy resource system or cogeneration facility, the system or facility has been certified by the department as meeting the standards specified in sub. (5).

(5) (intro.) The department, in consultation with the department of administration, shall establish by rule performance standards for alternative renewable energy resource systems and performance and minimum conversion efficiency standards for cogeneration facilities. The performance standards shall be established to:

(b) Conform, where feasible, with national performance standards promulgated or recognized by the federal government for alternative renewable energy resource systems or cogeneration facilities.

(c) Produce present value benefits in terms of saved energy costs in an amount not less than the total present value cost of designing, constructing and installing the alternative renewable energy resource system or cogeneration facility within 25 years after installation of the system or facility and not produce present value benefits in terms of saved energy costs in an amount greater than the total present value cost of designing, constructing and installing the renewable energy resource system or cogeneration facility within 4 years after installation of the system or facility.

(d) Not hamper individual development of innovative alternative renewable energy resource systems or cogeneration facilities.

SECTION 18s. 101.57 (5g) and (5r) of the statutes, as created by chapter (Assembly Bill 636), laws of 1979, are amended to read:

101.57 (5g) The department shall inspect selected renewable energy resource systems or cogeneration facilities which have been installed and certified for purposes of this section or s. 71.04 (16) or 71.09 (12) to ensure compliance with the standards established under sub. (5).

(5r) Any person who intentionally files fraudulent information with the department for purposes of obtaining the certification of a renewable energy resource system or a cogeneration facility as meeting the standards established under sub. (5) for purposes of this section or s. 71.04 (16) or 71.09 (12) is subject to the penalties under s. 71.11 (42) or (43).

SECTION 18sb. 101.57 (6) of the statutes, as affected by chapter (Assembly Bill 636), laws of 1979, is amended to read:

101.57 (6) If more than one person owns a renewable energy resource system or cogeneration facility eligible for the refund under this section, such persons may divide the refund among themselves as desired. If a business partnership owns such a system ~~or facility~~, each partner may claim the refund under sub. (1) for up to \$10,000 of costs per partner, but the total claimed by the partnership may not exceed \$50,000 of costs per system ~~or facility~~. If a refund is claimed for a renewable energy resource system or

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cogeneration facility under this section, subsequent owners of the system or facility are not eligible for a refund under this section for the same system or facility.

SECTION 18t. 101.57 (7), (8) (a) and (b), (9) and (10) of the statutes, as created by chapter 34, laws of 1979, are amended to read:

101.57 (7) No person may claim the refund under this section for expenses incurred before the first day of the person's 1979 taxable year, ~~if an individual, or before the first day of the person's 1980 taxable year, if a corporation, or before the effective date of this act (1979) if a cooperative as defined in s. 185.01 (1) or (2), or after December 31, 1984.~~

(8) (a) "Alternative Renewable energy resource system" means a solar energy system, a waste conversion energy system ~~or~~, a wind energy system ~~or an alcohol fuel production system~~, but does not include any equipment which would be present as part of a conventional energy system.

(b) "Solar energy system" means equipment which directly converts and then transfers or stores solar energy into usable forms of ~~energy for space heating or cooling, crop drying, electricity generation or hot water heating~~ thermal or electrical energy.

(9) In cooperation with the department of administration and the university of Wisconsin system-extension, the department shall develop materials to inform the public of the refunds ~~and tax deductions~~ for alternative renewable energy resource systems and cogeneration facilities available under this section ~~and s. 7104 (16)~~. Such material shall include information on the calculation of the life-cycle costs of alternative renewable energy resource systems and cogeneration facilities.

(10) The department shall annually prepare a summary of the number of claims under this section and s. 71.04 (16), including but not limited to information concerning the costs, size and type of each alternative renewable energy resource system or cogeneration facility for which a refund or deduction is claimed.

SECTION 19. 101.57 (8) (dm) of the statutes is created to read:

101.57 (8) (dm) "Cogeneration facility" means an electric power plant or a fuel-burning installation, or a portion of an electric power plant or a fuel-burning installation, which provides a new or expanded capacity for producing electric or mechanical power and any other form of useful energy which is used for commercial, industrial, space-cooling or space-heating purposes, including a steam or hot water generation and handling system, an electric or mechanical turbine and generation system and any associated environmental control systems, but excluding a fuel supply system, a steam or hot water delivery system, a building or any foundation or other support system.

SECTION 20. 101.57 (8) (e) 1 and 2, (f) and (g) of the statutes are created to read:

101.57 (8) (e) 1. "Alcohol fuel production system" means manufacturing equipment that produces for the owner's own use or for sale an alcohol fuel from raw materials other than coal or another nonrenewable fossil fuel and that makes effective use of the energy resource used to power the production.

2. "Manufacturing equipment" does not include materials, supplies, buildings or building components; nor does it include equipment, tools or implements used to service or maintain the production equipment; nor does it include pollution control equipment.

3. "Effective use of the energy resource" means that:

a. The principal energy resource used to power the production of the alcohol fuel is not a premium fuel; or

b. The principal energy resource used to power the production of the alcohol fuel is a premium fuel, all of the raw material is a waste and the average energy content of the alcohol fuel produced by the facility is greater than the average total energy content of the premium fuel used in the collection, handling, processing, transportation, storage and conversion to alcohol fuel of the waste; or

c. The principal energy resource used to power the production of the alcohol fuel is a premium fuel, part of the raw material is not a waste and the average energy content of the alcohol fuel produced by the facility is greater than the average energy content of the premium fuel used in the development or growing, collection, handling, processing, transportation, storage and conversion to alcohol fuel of the raw material.

(f) "Alcohol fuel" means methyl or ethyl alcohol that is used as a fuel either by itself or blended and injected or both with gasoline, kerosene, fuel oil, burner oil or diesel fuel oil.

(g) "Premium fuel" means gasoline, kerosene, fuel oil, burner oil and diesel fuel or any other nonrenewable fossil fuel, except coal.

SECTION 22. 176.05 (1m) of the statutes, as created by chapter 34, laws of 1979, is amended to read:

176.05 (1m) LIMITED MANUFACTURER'S PERMIT. A holder of a limited manufacturer's permit issued under sub. (1a) may use or sell the intoxicating liquor produced only if it is rendered unfit for use as a beverage and is used or sold for use ~~in an internal combustion engine as fuel.~~

SECTION 23. Chapter 34, laws of 1979, section 2006m (14) is created to read:

(Chapter 34, laws of 1979) Section 2006m (14) (a) No later than 180 days after the effective date of this act, the unit of government in the department of administration responsible for administering the department's energy-related duties shall compile and submit to the building commission and the appropriate legislative committees a list of potential renewable energy resource demonstration projects in state facilities.

~~(am) 1. No later than September 1, 1980, the college of agricultural and life sciences of the university of Wisconsin-Madison shall submit to the appropriate committees of the legislature and the building commission a final report on a feasibility study of an applied research and demonstration project related to energy conservation and renewable energy resources to be located at one or more university of Wisconsin system agricultural demonstration stations. The purpose of such project shall be to serve as a research facility, to demonstrate alternative energy methods and technology and energy conservation in agriculture and to serve as a model for other agricultural demonstration stations. In its report, the college shall describe its findings in regard to establishing the project, at what stations it should be located and the amount of funding required.~~

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~~2. Of the \$765,000 available from the financing authority under subsection (1) (k) for renewable energy resource demonstration projects, \$5,000 shall be used before July 1, 1980, to fund the feasibility study under subdivision 1.~~

~~(b) The unencumbered funds available from the financing authority enumerated under subsection (1) (k) for renewable energy resource demonstration projects shall be allocated by the building commission for the installation in state facilities of as many renewable energy resource demonstration projects as possible on as many different types of facilities as possible from the list in paragraph (a). The commission may fund all or part of any project which is recommended in the feasibility study under paragraph (am) and which is related to renewable energy resources. The following factors shall be considered in selecting such projects:~~

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1. Transferability to other facilities.
2. Diversity of renewable energy resources used.
3. Publicity value.
4. Total capital cost approximating no more than \$150,000.

~~(c) The building commission shall concentrate as many of the projects selected under paragraph (b) on one demonstration station or farm as are justified on the basis of technology and economic feasibility studies.~~

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(d) The building commission shall publicize the results of every project financed under this subsection, shall print reports of the results in technical and nontechnical versions, and shall make copies of the reports available to the public at cost.

(e) Until the financing authority under subsection (1) (k) is fully encumbered, the building commission shall submit an annual report to the appropriate committees of the legislature listing the number of each type of renewable energy resource project authorized under this subsection, its dollar value, location and expected date of completion.

~~SECTION 24. Appropriation increases. (1) SOLAR ENERGY DESIGN CONTEST. The appropriation under section 20.505 (1) (a) of the statutes, as affected by the laws of 1979, is increased by \$83,000 in fiscal year 1979-80 for the purpose of conducting a solar energy design contest under SECTION 25 of this act. Of this sum, \$68,000 shall be reserved for prizes.~~

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~~SECTION 25. Passive solar energy contest. (1) The department of administration shall conduct a statewide competition to select outstanding designs for the modification of existing one- and 2-family residential units to incorporate passive solar energy system design features. The department shall design the competition to demonstrate the technical and economic feasibility of retrofitting such design features for residential use in order to speed the commercialization of passive solar energy systems and in order to promote the use of such systems for low- and moderate-income families in this state. The contest shall have the following categories:~~

~~(a) Designs submitted by resident architects and professional engineers registered under chapter 443 of the statutes for:~~

- ~~1. An entire residential unit, not to exceed 1,600 square feet per family.~~
- ~~2. A portion of a residential unit under subdivision 1.~~

~~(b) Designs submitted by residents not qualified to submit a design under paragraph (a) for:~~

- ~~1. An entire residential unit not to exceed 1,600 square feet per family.~~
- ~~2. A portion of a residential unit under subdivision 1.~~

~~(2) The secretary of administration shall appoint a panel of 7 judges to judge the contest under this section. The panel shall include representatives of the departments of industry, labor and human relations and local affairs and development, of the university of Wisconsin system-extension and of a private lending institution in addition to a builder or contractor, a registered architect and a registered professional engineer.~~

~~(3) Prizes in the contest under this section shall be awarded based on the following criteria.~~

- ~~(a) Use of passive solar energy systems and other energy conserving design features.~~
- ~~(b) Amount of energy savings achieved by the design.~~
- ~~(c) Life-cycle cost.~~
- ~~(d) Adaptability of the design to widespread use for one- and 2-family residential units, especially those not exceeding 1,600 square feet per family.~~
- ~~(e) Aesthetics.~~
- ~~(f) Originality.~~

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~~(4) The judges under subsection (2), based on the criteria enumerated under subsection (3), may award in each category under subsection (1) (a) one first place prize of \$5,000, 2 2nd place prizes of \$3,750 each and 3 3rd place prizes of \$1,500 each; and in each category under subsection (1) (b) one first place prize of \$5,000, 2 2nd place prizes of \$2,500 each, 3 3rd place prizes of \$1,250 each and 3 4th place prizes of \$500 each. The prizes may be awarded for a constructed or an unconstructed design. All prizes shall be awarded no later than 180 days after the deadline under subsection (5) (a).~~

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~~(5) In administering the contest under this section, the department of administration shall have the following duties:~~

~~(a) To prepare a competition program with a deadline for design submissions which is no later than one year after the effective date of this act.~~

~~(b) To distribute competition information and publicity.~~

~~(c) To develop procedures and guidelines for eligibility, entering and judging the contest.~~

~~(d) To prepare and distribute a summary document from the competition, including a portfolio of winning designs and publicity. The document shall be prepared and distributed no later than 180 days after the prizes are awarded under subsection (4).~~

~~(6) All winning designs in the contest under this section shall be the property of this state, available for use by anyone, and may be published and exhibited by the state after completion of the contest. With the consent of the owner of the residential unit where a prototype of any winning design is installed, the department of administration may install monitoring equipment at the department's cost to measure the energy resource consumed by the residential unit.~~

~~(7) No person who receives compensation for any research program financed by state or federal money shall be eligible for any prize money granted under this section.~~

SECTION 26. Renewable energy resource information. No later than January 1, 1982, the unit of government in the department of administration responsible for administering the department's energy-related duties shall:

(1) Develop, distribute to interested consumers and publicize the availability of a comparison in nontechnical language of different types of renewable energy resource systems. The comparison shall include, but not be limited to, information concerning quality, performance and cost.

(2) Compile, distribute and publicize the availability of information on the production of alcohol fuel for use as a motor vehicle and small engine fuel and for other applications. The information shall include, but not be limited to, the availability and sources of funding and financial assistance. The department shall compile such information in cooperation with the department of business development.

(3) In cooperation with the department of business development and other appropriate state agencies, study the need for additional financial incentives for the development and construction of alcohol fuel production facilities and report its findings to the legislature.

SECTION 26r. Electricity supply study. No later than the first day of the 18th month after the effective date of this act, the public service commission shall submit to the legislature and every person listed under section 196.491 (2) (b) of the statutes a comprehensive plan for all electric utilities, as defined under section 196.491 (1) (d) of the statutes, which meets the requirements of section 196.491 (2) (a) of the statutes. The plan shall provide that the total 20-year demand forecasted in the most current plan of each electric utility filed under section 196.491 (2) (a) of the statutes be satisfied if practicable by the application of energy conservation measures and by the generation of electricity from sources other than petroleum, natural gas, coal, uranium or dams with heads greater than 65 feet.

SECTION 27. Term changes. (1) Wherever in the following sections of the statutes the phrase "alternative energy" is found, the phrase "renewable energy resource" is substituted: 20.835 (2) (e) (title), 71.09 (12) (a) (intro.), (d) (intro.) and 2 to 4 and (i) 1 and 101.57 (8) (a), as created by chapter 34, laws of 1979.

(2) Wherever in chapter 34, laws of 1979, section 2006m (1) (k) and (2) the phrase "alternative energy" is found, the term "renewable energy resource" is substituted.

(3) Wherever in the following sections of the statutes, the phrase "an alternative energy" is found, the phrase "a renewable energy resource" is substituted: 71.04 (16) (a) and 71.09 (12) (a) (intro.).

(4) Wherever in the following section of the statutes, the phrase "alternative energy source" is found, the phrase "renewable energy resource" is substituted: 16.956 (1) (a) and (b), as created by chapter 34, laws of 1979.

(5) Wherever in the following section of the statutes, the phrase "alternative energy sources" is found, the phrase "renewable energy resources" is substituted: 16.956 (1) (g) 1 and (2), as created by chapter 34, laws of 1979.

(6) Wherever in the following sections of the statutes, as affected by chapter (Assembly Bill 636), laws of 1979, the phrase "renewable energy resource system" is found, the phrase "renewable energy resource system and cogeneration facility" is substituted: 20.445 (1) (e) (title) and 101.57 (title), as created by chapter 34, laws of 1979.

SECTION 28. Program responsibilities. In the list of program responsibilities specified for the department of agriculture, trade and consumer protection in section 15.131 (intro.) of the statutes, reference to section "101.175 (3)" is inserted.

SECTION 29. Applicability. (1) The creation of section 13.48 (2) (h) of the statutes by this act applies to all projects for which bids are requested on or after July 1, 1980.

(2) The treatment of section 101.57 (1) (intro.), (1d) and (8) (a), (b), (e), (f) and (g) of the statutes by this act applies to all claims for refunds filed under section 101.57 of the statutes on or after March 1, 1980, for expenses incurred on or after March 1, 1980.

(3) The treatment of section 101.57 (5) (c) and ~~(8) (c)~~ of the statutes by this act **Vetoed** applies to expenses incurred on and after the effective date of this act upon which a claim **in Part** for refund under section 101.57 of the statutes is filed.
