



State of Wisconsin
2007 - 2008 LEGISLATURE

LRB-0193/01

RCT:wlj:rs

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Wanted soon (in 1/24)

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PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

LPS: Please
delete **** NOTES.

Regen

1 AN ACT ~~to amend~~ 299.95; and ~~to create~~ 15.347 (5), 15.347 (6), 20.370 (2) (cj) and
2 chapter 286 of the statutes; **relating to:** management of greenhouse gases,
3 granting rule-making authority, and providing penalties.

Analysis by the Legislative Reference Bureau

This is a preliminary draft. An analysis will be provided in a later version.

Analysis
insert ↓

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

4 SECTION 1. 15.347 (5) of the statutes is created to read:
5 15.347 (5) GREENHOUSE GAS MANAGEMENT ENVIRONMENTAL JUSTICE COUNCIL.
6 There is created in the department of natural resources a greenhouse gas
7 management environmental justice council consisting of at least 3 members,
8 appointed by the secretary of natural resources from nominations received from
9 environmental justice organizations and community groups, representing
10 communities that have the most significant exposure to air pollutants, including

1 communities with minority populations and communities with low-income
2 populations.

3 SECTION 2. 15.347 (6) of the statutes is created to read:

4 15.347 (6) GREENHOUSE GAS MANAGEMENT ECONOMIC AND TECHNOLOGY
5 ADVANCEMENT COUNCIL. There is created in the department of natural resources a
6 greenhouse gas management economic and technology advancement council
7 consisting of members appointed by the secretary of natural resources.

8 SECTION 3. 20.005 (3) (schedule) of the statutes: at the appropriate place, insert
9 the following amounts for the purposes indicated:

	2007-08	2008-09
10		
11	20.370 Natural resources, department of	
12	(2) AIR AND WASTE	
13	(cj) Greenhouse gas management PR A	-0- -0-

14 SECTION 4. 20.370 (2) (cj) of the statutes is created to read:

15 20.370 (2) (cj) *Greenhouse gas management*. The amounts in the schedule for
16 greenhouse gas management activities under ch. 286. All moneys received under s.
17 286.35 shall be credited to this appropriation account.

18 SECTION 5. Chapter 286 of the statutes is created to read:

19 **CHAPTER 286**

20 **GREENHOUSE GAS MANAGEMENT**

21 **286.01 Definitions.** In this chapter:

22 (1) "Allowance" means an authorization to emit, during a specified year, up to
23 one ton of carbon dioxide equivalent.

1 (2) "Alternative compliance mechanism" means an action, including a flexible
2 compliance schedule, alternative control technology, process change, or product
3 substitution, undertaken by a greenhouse gas emission source that is approved by
4 the department and that achieves an equivalent reduction of greenhouse gas
5 emissions over the same period as a specific action that would otherwise be required
6 under this chapter.

7 (3) "Carbon dioxide equivalent" means the amount of carbon dioxide by weight
8 that would produce the same impact on global warming as a given weight of another
9 greenhouse gas.

10 (4) "Cost-effective" means economical in terms of cost per unit of reduced
11 emissions of greenhouse gases expressed in carbon dioxide equivalents.

12 (5) "Department" means the department of natural resources.

13 (6) "Direct emission reduction action" means an action to reduce greenhouse
14 gas emissions taken by a greenhouse gas emission source at the greenhouse gas
15 emission source.

16 (7) "Emission reduction measure" means a program, action, standard, or
17 alternative compliance mechanism authorized under this chapter, applicable to a
18 greenhouse gas emission source or category of greenhouse gas emission sources, that
19 is designed to reduce greenhouse gas emissions *or to remove carbon from the
atmosphere*

****NOTE: Or to sequester carbon or reduce the amount of greenhouse gas in the
atmosphere?*

20 (8) "Greenhouse gas" means carbon dioxide, methane, nitrous oxide,
21 hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride.

1 (9) "Greenhouse gas emission limit" means an authorization by the
2 department to emit up to a specified amount of greenhouse gas, ^{and no more} expressed in carbon
3 dioxide equivalents, during a specified year.

4 (10) "Greenhouse gas emission source" means a source of greenhouse gas
5 emissions.

6 (11) "Market-based compliance mechanism" means any of the following:

7 (a) A system of market-based declining annual aggregate emission limitations
8 for significant sources or categories of significant sources.

9 (b) Greenhouse gas emission exchanges, banking, credits, or other
10 transactions, governed by rules promulgated by the department, that result in the
11 same reduction in greenhouse gas emissions over the same period as direct
12 compliance with a greenhouse gas emission limit or emission reduction measure
13 adopted by the department under this chapter.

14 (12) "Significant source" means a greenhouse gas emission source that is
15 identified under s. 286.03.

16 (13) "Statewide greenhouse gas emissions" means the total annual amount of
17 emissions of greenhouse gases in this state plus the total annual amount of emissions
18 of greenhouse gases from the generation of electricity outside this state that is
19 delivered in this state, including transmission and distribution line losses, expressed
20 in tons of carbon dioxide equivalent.

21 (14) "Statewide emission limit" means the maximum allowable level of
22 statewide greenhouse gas emissions, ~~as~~ determined by the department under s.
23 286.09 (1) (c), expressed in tons of carbon dioxide equivalent.

24 **286.03 Identification of significant sources.** The department shall
25 identify those greenhouse gas emission sources and categories of greenhouse gas

1 emission sources with emissions that are at a level of significance such that their
2 participation in the program under this chapter will enable the department to
3 effectively reduce greenhouse gas emissions and monitor compliance with the
4 statewide emission limit.

5 **286.05 Greenhouse gas emission reporting. (1) RULES.** The department
6 shall promulgate rules that require the annual reporting and verification of
7 greenhouse gas emissions from significant sources and that provide for the
8 monitoring and enforcement of compliance with the reporting and verification
9 requirements.

10 **(2) REQUIREMENTS CONCERNING RULES.** In the rules promulgated under sub. (1),
11 the department shall do all of the following:

12 (a) Phase in the requirements to monitor and report greenhouse gas emissions
13 beginning with the significant sources or categories of significant sources that
14 contribute most to statewide greenhouse gas emissions.

15 (b) Require the monitoring and reporting of greenhouse gas emissions from the
16 generation of electricity in this state and from the generation of electricity outside
17 this state that is delivered in this state, including transmission and distribution line
18 losses.

19 (c) To the extent appropriate and feasible, incorporate methods developed
20 under s. 285.78 for the registration of early reductions of greenhouse gas emissions
21 and avoid significantly altering the reporting or verification program of a significant
22 source that registered reductions of greenhouse gas emissions under s. 285.78 before
23 December 1, 2007, except as necessary to ensure that reporting is complete and
24 verifiable for the purposes of compliance with this chapter.

***NOTE: I am not certain that this is appropriate because I do not know how reporting under s. 285.78 compares to reporting under the California program referenced in its legislation.

1 (d) Ensure rigorous and consistent accounting of greenhouse gas emissions and
2 provide for reporting tools and formats that ensure collection of necessary data.

3 (e) Ensure that significant sources maintain comprehensive records of all
4 reported greenhouse gas emissions.

5 (3) REVIEW REQUIRED. The department shall do all of the following:

6 (a) Periodically review the requirements in rules promulgated under sub. (1)
7 and update the rules as necessary.

8 (b) Review existing and proposed international, federal, and state greenhouse
9 gas emission reporting programs and make reasonable efforts to promote
10 consistency among the program established under this section and other programs
11 and to streamline reporting requirements on greenhouse gas emission sources.

12 **286.09 Statewide greenhouse gas emission limit.** (1) No later than
13 January 1, ²⁰⁰⁹~~2008~~, the department shall do all of the following:

14 (a) Conduct one or more meetings, with public notice and an opportunity for
15 all interested persons to comment, to assist it in determining what the level of
16 statewide greenhouse gas emissions was in 1990.

17 (b) To ensure the most accurate determination feasible under par. (c), evaluate
18 the best available scientific, technological, and economic information on greenhouse
19 gas emissions.

20 (c) At a public meeting determine, based on the information obtained under
21 pars. (a) and (b), what the level of statewide greenhouse gas emissions was in 1990
22 and approve ^{an} ~~a statewide~~ emission limit to be achieved by 2020 that is equivalent to
23 that level.

Insert
6-23

****NOTE: This process seems unusual.

3

1 (2) The statewide emission limit approved under sub. (1) (c) remains in effect
2 after 2020.

3 (3) The department shall make recommendations to the legislature, under s.
4 13.172 (2), and to the governor on how to continue reductions in greenhouse gas
5 emissions beyond 2020.

6 **286.15 Greenhouse gas emissions; early action measures.** (1) On or
7 before June 30, ²⁰⁰⁸2007, the department shall publish and make available to the public
8 a list of emission reduction measures that can be implemented before the measures
9 and limits adopted under s. 286.23. The department shall identify emission
10 reduction measures that will achieve the maximum reduction in greenhouse gas
11 emissions from significant sources or categories of significant sources that is
12 technologically feasible and cost-effective, in furtherance of achieving the statewide
13 emission limit.

14 (2) The department shall promulgate rules, to take effect no later than January
15 1, ²⁰¹¹2010, to implement the measures identified under sub. (1).

16 **286.20 Greenhouse gas emission reduction plan.** (1) PLAN. The
17 department shall prepare and, no later than January 1, ²⁰¹⁰2009, approve a plan for
18 achieving the maximum reduction in greenhouse gas emissions from significant
19 sources or categories of significant sources by 2020 that is technologically feasible
20 and cost-effective. In preparing the plan, the department shall consult with all state
21 agencies with jurisdiction over greenhouse gas emission sources. The department
22 shall consult with the public service commission on the elements of the plan that
23 pertain to energy-related matters, including the generation of electricity, any
24 standards or requirements that are based on the amount of electricity that an electric

1 provider sells to retail customers or members, the provision of reliable and affordable
2 electrical service, petroleum refining, and statewide fuel supplies to ensure that the
3 greenhouse gas emission reduction activities in the plan are complementary and not
4 duplicative and can be implemented in an efficient and cost-effective manner.

5 (2) CONTENTS. In the plan, the department shall identify and make
6 recommendations concerning ^{and} direct emission reduction actions, alternative
7 compliance mechanisms, market-based compliance mechanisms, and monetary and
8 nonmonetary incentives for significant sources and categories of significant sources
9 that the department determines are necessary or desirable to facilitate achievement
10 by 2020 of the maximum reduction in greenhouse gas emissions that is
11 technologically feasible and cost-effective.

12 (3) PREPARATION. In preparing the plan under this section, the department
13 shall do all of the following:

14 (a) Consider relevant information relating to greenhouse gas emission
15 reduction programs of local governmental units, other states, and other countries,
16 including the northeastern states, Canada, and the European Union.

17 (b) Evaluate the total potential costs and economic and noneconomic benefits
18 of the plan to this state's economy, environment, and public health, using the best
19 available economic models, techniques for estimating greenhouse gas emissions, and
20 other scientific methods.

21 (c) Take into account the relative contribution of each greenhouse gas emission
22 source or category of greenhouse gas emission sources to statewide greenhouse gas
23 emissions and the potential for adverse effects on small businesses and recommend
24 a threshold of greenhouse gas emissions below which requirements for reductions in
25 greenhouse gas emissions will not apply.

1 (d) Identify opportunities for emission reductions ^{se} measures from voluntary
2 actions that can be verified and made enforceable, including carbon sequestration
3 projects and best management practices.

4 (4) PUBLIC MEETINGS. The department shall conduct a series of public meetings
5 to give interested persons an opportunity to comment on the plan under this section.

6 The board shall conduct some of the public meetings in ^{area} regions of the state that have
7 the most significant exposure to air pollutants, including communities with minority
8 populations and communities with low-income populations.

9 (5) UPDATES. The department shall update the plan under this section at least
10 once every 5 years.

11 **286.23 Emission limits and reduction measures.** (1) RULES. The [✓]
12 department shall promulgate rules, to take effect no later than January 1, ²⁰¹³ ~~2012~~,
13 containing greenhouse gas emission limits and emission reduction measures to
14 achieve the maximum reduction in greenhouse gas emissions that is technologically
15 feasible and cost-effective, in furtherance of achieving the statewide emission limit.

16 (2) REQUIREMENTS CONCERNING RULE PROMULGATION. In promulgating rules
17 under this section, the department shall to the extent feasible do all of the following:

18 (a) Design the rules, including any distribution of allowances, in a manner that
19 is equitable, seeks to minimize costs and maximize total benefits in this state, and
20 encourages early action to reduce greenhouse gas emissions.

21 (b) Ensure that activities undertaken to comply with the rules will not have a
22 disproportionate impact on communities with low-income populations.

23 (c) Ensure that entities that have voluntarily reduced their greenhouse gas
24 emissions before the rules take effect receive appropriate credit for those reductions.

1 (d) Ensure that activities undertaken to comply with the rules complement,
2 and do not interfere with, efforts under ch. 285 to achieve and maintain compliance
3 with ambient air quality standards and to reduce emissions of hazardous air
4 contaminants.

5 (e) Ensure that the rules result in reductions of greenhouse gas emissions that
6 are permanent, quantifiable, verifiable, and enforceable.

7 (f) Ensure that any provision authorizing use of an alternative compliance
8 mechanism results in a reduction of greenhouse gas emissions that occurs over the
9 same period and in the same amount as any specific action that would otherwise be
10 required under this section.

11 (g) Consider the cost-effectiveness of the rules.

12 (h) Consider overall societal benefits, including reductions in other air
13 pollutants, diversification of energy sources, and other benefits to the economy, the
14 environment, and public health.

15 (i) Minimize the administrative burden of implementing and complying with
16 the rules.

17 (j) Minimize the extent to which reductions in emissions of greenhouse gases
18 within this state are offset by increases in emissions of greenhouse gases outside the
19 state.

20 (k) Consider the significance of the contribution of each greenhouse gas
21 emission source or category of greenhouse gas emission sources to statewide
22 emissions of greenhouse gases.

23 (L) Rely upon the best available economic and scientific information.

24 (m) Rely upon the department's assessment of existing and projected
25 technological capabilities.

1 (n) Consult with the public service commission concerning the rules that affect
2 providers of electricity and natural gas in order to minimize duplicative or
3 inconsistent regulatory requirements. *and sub (2)*

4 **(3) MARKET-BASED COMPLIANCE MECHANISMS.** (a) Subject to pars. (b) to (d), *and sub (2)* in the
5 rules promulgated under this section, the department may authorize the use of
6 market-based compliance mechanisms.

7 (b) Before including market-based compliance mechanisms in the rules
8 promulgated under this section, the department shall to the extent feasible do all of
9 the following:

10 1. Consider the potential for direct, indirect, and cumulative impacts on
11 emissions from using market-based compliance mechanisms, including localized
12 impacts in communities already adversely affected by air pollution.

13 2. Design the market-based compliance mechanisms to prevent any increase
14 in emissions of hazardous air contaminants or pollutants for which ambient air
15 quality standards have been established under s. 285.21.

16 3. Maximize additional environmental benefits and economic benefits in this
17 state, as the department determines is appropriate.

18 (c) If the department provides for the use of market-based compliance
19 mechanisms in the rules promulgated under this section, the department shall
20 specify in the rules how the market-based compliance mechanisms may be used by
21 entities subject to greenhouse gas emission limits and mandatory emission reporting
22 requirements to achieve compliance with their greenhouse gas emission limits.

23 (d) In furtherance of achieving the statewide emission limit, the department
24 may promulgate a rule that establishes a system of market-based declining annual
25 aggregate greenhouse gas emission limits for significant sources or categories of

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1 significant sources, applicable from January 1, 2012, to December 31, 2020, that the
2 department determines will achieve the maximum reduction in greenhouse gas
3 emissions that is technologically feasible and cost-effective, in the aggregate, from
4 those significant sources or categories of significant sources, but only if the
5 department complies with pars. (b) and (c) and ensures that the reduction is in
6 addition to any greenhouse gas emission reduction otherwise required by law and
7 any greenhouse gas emission reduction that would otherwise occur.

8 **286.25 Voluntary reductions.** (1) The department shall adopt
9 methodologies for the quantification of greenhouse gas emission reductions from
10 voluntary actions. Notwithstanding s. 227.10 (1), the department is not required to
11 adopt the methodologies by rule.

12 (2) The department shall promulgate rules for verifying and enforcing
13 greenhouse gas emission reductions from voluntary actions that the department
14 authorizes to be used to comply with greenhouse gas emission limits.

15 **286.27 Authority of the governor.** (1) Notwithstanding the dates specified
16 in ss. 286.09 (1) (intro.) and (3), 286.15 (1), 286.20 (1), and 286.23 (1) in the event of
17 extraordinary circumstances, catastrophic events, or threat of significant economic
18 harm, the governor may adjust a deadline in s. 286.09 (1), 286.15 (1), 286.20 (1), or
19 286.23 (1), or in a rule promulgated under this chapter, to the earliest feasible date
20 after the deadline, subject to sub. (2).

21 (2) The governor may not adjust a deadline by more than one year at a time,
22 but the governor may make successive adjustments of the same deadline as long as
23 the adjustments comply with sub. (1).

1 (3) No more than 10 days after making an adjustment under sub. (1), the
2 governor shall provide written notification of the adjustment to the chief clerk of each
3 house of the legislature and to the revisor of statutes for publication in

****NOTE: Should the notice also be provided to the revisor for publication in the
administrative register, in order to ensure official notice that the statutory dates are not
applicable?

the Wisconsin Administrative Register

4 **286.31 Councils.** (1) The greenhouse gas management environmental justice
5 council shall advise the department in developing the plan under s. 286.20 and in any
6 other matter in the implementation of this chapter.

7 (2) The greenhouse gas management economic and technology advancement
8 council shall advise the department on activities that will facilitate investment in
9 and implementation of technological research and development opportunities,
10 including identifying new technologies; research; demonstration projects; funding
11 opportunities; developing state, national, and international partnerships and
12 technology transfer opportunities; and identifying and assessing research and
13 advanced technology investment and incentive opportunities that will assist in the
14 reduction of greenhouse gas emissions. The council may also advise the department
15 on state, regional, national, and international economic and technological
16 developments related to greenhouse gas emission reductions.

17 **286.35 Fees.** (1) The department may promulgate rules establishing a
18 schedule of fees for greenhouse gas emission sources regulated under this chapter.
19 The department shall design the fee schedule to ensure that the amount of the fees
20 is not more than is reasonably necessary to fund the operation of the program under
21 this chapter.

22 (2) Any fees collected under sub. (1) shall be credited to the appropriation
23 account under s. 20.370 (2) (cj).

1 **286.37 Other duties of the department.** (1) The department shall
 2 determine the carbon dioxide equivalents of greenhouse gases based on the best
 3 available scientific information, including information from the Intergovernmental
 4 Panel on Climate Change.

5 (2) The department shall consult with other states, the federal government,
 6 and other countries to identify the most effective strategies and methods to reduce
 7 greenhouse gas emissions, manage greenhouse gas control programs, and facilitate
 8 the development of integrated and cost-effective regional, national, and
 9 international greenhouse gas emission reduction programs.

10 (3) The department shall ensure, to the extent feasible, that the rules,
 11 programs, mechanisms, and incentives under its jurisdiction for the reduction of
 12 greenhouse gas emissions direct public and private investment toward communities
 13 with the most disadvantaged populations. The department shall provide the
 14 opportunity for small businesses, schools, organizations that provide affordable
 15 housing, and other community institutions to participate in and benefit from
 16 statewide efforts to reduce greenhouse gas emissions.

17 **286.39 Duty of other state agencies.** Each state agency shall take actions
 18 to reduce ^{or their} ~~its~~ greenhouse gas emissions.

***NOTE: The draft should define "state agency." Should authorities (like WHEDA and the UW Hospitals and Clinics Authority) be covered by this requirement?

19 **286.50 Penalties.** (1) Any person who violates this chapter or any rule
 20 promulgated, permit issued, or order issued under this chapter shall forfeit not less
 21 than \$10 or more than \$25,000 for each violation. Each day of continued violation
 22 is a separate offense.

as defined in s 200001(1) 11

and
The University of Wisconsin Hospitals and Clinics Authority, the Wisconsin Housing and Economic Development Authority and the Wisconsin Health and Educational Facilities Authority

1 (2) (a) Except as provided in par. (b), any person who intentionally commits an
2 act that violates, or fails to perform an act required by this chapter or any rule
3 promulgated, permit issued, or order issued under this chapter shall be fined not
4 more than \$25,000 per day of violation or imprisoned for not more than 6 months or
5 both.

6 (b) If the conviction under par. (a) is for a violation committed after another
7 conviction under par. (a), the person is guilty of a Class I felony, except that,
8 notwithstanding the maximum fine specified in s. 939.50 (3) (i), the person may be
9 fined not more than \$50,000 per day of violation.

10 SECTION 6. 299.95 of the statutes is amended to read:

11 **299.95 Enforcement; duty of department of justice; expenses.** The
12 attorney general shall enforce chs. 281 to ~~285~~ 286 and 289 to 295 and this chapter,
13 except ss. 285.57, 285.59, and 299.64, and all rules, special orders, licenses, plan
14 approvals, permits, and water quality certifications of the department, except those
15 promulgated or issued under ss. 285.57, 285.59, and 299.64 and except as provided
16 in ss. 285.86 and 299.85 (7) (am). The circuit court for Dane county or for any other
17 county where a violation occurred in whole or in part has jurisdiction to enforce chs.
18 281 to ~~285~~ 286 and 289 to 295 or this chapter or the rule, special order, license, plan
19 approval, permit, or certification by injunctive and other relief appropriate for
20 enforcement. For purposes of this proceeding where chs. 281 to ~~285~~ 286 and 289 to
21 295 or this chapter or the rule, special order, license, plan approval, permit or
22 certification prohibits in whole or in part any pollution, a violation is considered a
23 public nuisance. The department of natural resources may enter into agreements
24 with the department of justice to assist with the administration of chs. 281 to ~~285~~ 286
25 and 289 to 295 and this chapter. Any funds paid to the department of justice under

1 these agreements shall be credited to the appropriation account under s. 20.455 (1)
2 (k).

3 **SECTION 7. Nonstatutory provisions.**

4 (1) SUBMISSION OF PROPOSED RULES. The department of natural resources shall
5 submit in proposed form the rules required under section 286.05 (1) of the statutes,
6 as created by this act, to the legislative council staff under section 227.15 (1) of the
7 statutes no later than June 30, 2007²⁰⁰⁸

8 ******NOTE: As a practical matter, this date will need to be changed.**

(END)

Analysis insert

This bill provides for the management of emissions of specified greenhouse gases, including carbon dioxide. Greenhouse gases are gases that trap heat in the atmosphere. The bill treats greenhouse gas emissions from the generation of electricity that is generated outside this state but is used in this state as though the emissions occurred in this state.

Initial requirements

The bill requires the Department of Natural Resources (DNR) to promulgate rules requiring the monitoring and reporting of greenhouse gas emissions by significant sources of those emissions. DNR must phase in the requirements beginning with the types of sources that emit the most greenhouse gases.

The bill requires DNR to determine the level of greenhouse gas emissions in this state in 1990 (including emissions from the generation of all electricity used in this state) and to set a statewide greenhouse gas emission limit for 2020 that is equivalent to the 1990 level. The deadline for setting the limit is January 1, 2009. ✓

The bill requires DNR to identify measures for reducing greenhouse gas emissions that can be implemented before the full planning and rule-making process described below. DNR must then make rules implementing the interim measures, to take effect no later than January 1, 2011.

Long-term planning and rule-making

The bill requires DNR to approve a plan, no later than January 1, 2010, for achieving reductions of greenhouse gas emissions that are technologically feasible and cost-effective. The bill authorizes DNR to make recommendations concerning various methods of achieving reductions in greenhouse gas emissions, including requiring specific actions to be taken, allowing greenhouse gas emission sources to implement alternative methods to specific actions that would otherwise be required, and what are called market-based compliance mechanisms. *the methods include*

The bill requires DNR to promulgate rules, to take effect no later than January 1, 2013, specifying greenhouse gas emission limits and measures to achieve greenhouse gas emission reductions, in furtherance of achieving the statewide greenhouse gas emission limit. The bill imposes several requirements on DNR relating to the rules, for example, to design the rules in a manner that is equitable and seeks to minimize costs and maximize benefits, to give credit to emission sources that voluntarily reduce emissions before the rules take effect, to ensure that emissions of certain air pollutants do not increase, and to limit the extent to which reductions in emissions in this state are offset by increases in emissions outside the state.

The bill includes specific prerequisites to including market-based compliance mechanisms in the rules. Market-based compliance mechanisms include arrangements under which a source that would otherwise be required to reduce its emissions by a specified amount instead satisfies the requirement by buying

mandating

*authorizing
the use
of*

mandated

emission credits from a source, which may be outside of the state, that reduces its emissions by more than is otherwise required.

Governor's authority

The bill allows the governor to extend deadlines in the bill or in rules promulgated under the bill in the event of extraordinary circumstances, catastrophic events, or threat of significant economic harm. Each extension may not exceed one year, but the governor may make additional extensions.

Other provisions

The bill provides civil and criminal penalties for violations of the greenhouse gas management provisions. The penalties are the same as under the current air quality laws.

The bill authorizes DNR to impose fees on greenhouse gas emission sources that are regulated under the bill. The bill also requires state agencies to take actions to reduce their greenhouse gas emissions.

The bill creates two bodies to advise DNR about greenhouse gas management. These are the Greenhouse Gas Management Environmental Justice Council and the Greenhouse Gas Management Economic and Technology Advancement Council.

Because this bill creates a new crime or revises a penalty for an existing crime, the Joint Review Committee on Criminal Penalties may be requested to prepare a report concerning the proposed penalty and the costs or savings that are likely to result if the bill is enacted.

For further information see the ***state and local*** fiscal estimate, which will be printed as an appendix to this bill.

Insert 3-9

ⓑ (3m) "Carbon sequestration" means the long-term storage of carbon in water bodies, soil, vegetation, or geologic formations.

Insert 6-23

(2) (a) If the department authorizes the use of carbon sequestration projects under this chapter, the department shall treat carbon removed from the atmosphere through an authorized carbon sequestration project as an equivalent reduction in greenhouse gas emissions in determining compliance with the statewide emission limit.

(b) If the department authorizes the use of a market-based compliance mechanism under this chapter that results in a reduction in greenhouse gas

emissions outside this state, the department shall treat a reduction in greenhouse gas emissions outside this state resulting from the authorized market-based compliance mechanism as though the reduction occurred in this state in determining compliance with the statewide emission limit.

Duerst, Christina

From: Nerad2, Ben
Sent: Tuesday, February 06, 2007 11:26 AM
To: LRB.Legal
Subject: Draft Review: LRB 07-0193/1 Topic: Greenhouse gas emissions

Please Jacket LRB 07-0193/1 for the ASSEMBLY.