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(FORM UPDATED: 08/11/2010)

WISCONSIN STATE LEGISLATURE ... PUBLIC HEARING - COMMITTEE RECORDS

2009-10

(session year)

Assembly

(Assembly, Senate or Joint)

Committee on Energy and Utilities...

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: Stefanie Rose (LRB) (December 2012)

- None.

Registrations for Information Only

- None.

April 7, 2010

EXECUTIVE SESSION HELD

Present: (11) Representatives Soletski, Zepnick, Staskunas, Richards, Steinbrink, Parisi, Zigmunt, Huebsch, Montgomery, Petersen and Zipperer.

Absent: (1) Representative Honadel.

Moved by Representative Staskunas, seconded by Representative Parisi that **Assembly Bill 876** be recommended for passage.

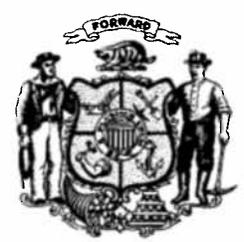
Ayes: (11) Representatives Soletski, Zepnick, Staskunas, Richards, Steinbrink, Parisi, Zigmunt, Huebsch, Montgomery, Petersen and Zipperer.

Noes: (0) None.

Absent: (1) Representative Honadel.

PASSAGE RECOMMENDED, Ayes 11, Noes 0

Steven Peters
Committee Clerk





JASON M. FIELDS
STATE REPRESENTATIVE

For the Assembly Committee on Energy and Utilities

Testimony in favor of AB 876

March 30, 2010

I would like to thank Rep. Soletski and members of the committee for allowing me to testify on AB 876 which will expand the authority of political subdivisions and allow them to make residential energy and water efficiency improvement loans.

Under current law, municipalities have the authority to make loans to residents for energy efficiency improvements and allow the resident to repay the loan over time through their property tax bill. These Property Assessed Clean Energy (PACE) loans enable homeowners to lower energy expenses, while providing a simple repayment mechanism to reduce the upfront cost of these improvements.

AB-876 is a short, focused bill that will allow municipalities to make similar energy efficiency loans to businesses. The bill also enables homeowners and businesses to obtain private, owner-arranged financing for these improvements and repay the loan through the same property tax mechanism.

In the immediate term, this bill will enable Milwaukee, Madison, and Racine to utilize \$65 million in federal energy efficiency grant funding and leverage over \$400 million in third-party, private sector funding. More broadly, municipalities throughout the state will have the ability to encourage economic growth by providing businesses with a low-cost, efficient way to reduce energy costs. PACE loans will provide Wisconsin businesses with cost-effective energy solutions to reduce operating costs and improve market competitiveness.

Bruce Lindsay from Johnson Controls is here to testify. I will let him explain in greater detail the benefits of energy efficiency and the effectiveness of PACE programs.

Thank you.

Jason M. Fields





Wisconsin State Senate
John Lehman
Senator – 21st District

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**Testimony of State Senator John Lehman
Assembly Committee on Energy and Utilities
March 30, 2010
Assembly Bill 876**

Chair Soletski and members of the Energy and Utilities Committee, thank you, for the opportunity to offer my testimony in support of Assembly Bill 876. As the author of the Senate companion bill I believe this legislation offers us a unique opportunity to maximize the use of federal recovery funds, leverage private investment, help business' boost their energy efficiency and bottom lines and create jobs.

PACE stands for "property assessed clean energy" and is a local financing model in use across the country and here in Wisconsin. Assembly Bill 876 would modify current law to expand a municipality's ability to make loans for energy and water efficiency improvements to include commercial and industrial property. Repayments of the loan could be collected in installments or as part of the property tax bill.

One of the difficulties facing businesses and homeowners in these times of tight capital and budgets is finding the wherewithal to invest in things like energy efficiency that, while providing significant savings, can also have a significant up front cost. PACE programs provide an attractive means to those ends – risk is low because loans are secured by a lien on the property, repayments can stretch over longer periods of time and transfer between owners and total borrowing costs can be moderated by lower interest rates.

Part of my interest in this legislation is parochial. The cities of Racine, Milwaukee, Madison have joined together to submit an application for a federal recovery act grant of \$65 million for energy efficiency improvements for residential and business property owners. The grant application includes plans for PACE programs that would be authorized by this bill.

However, the bill would allow any community in the state to create a PACE program to help make capital available for energy and water efficiency improvements to commercial or industrial properties within their jurisdiction.

In addition, the impacts of PACE will be felt beyond the geographic borders of an individual municipality establishing a program. There will be increased economic activity throughout the state spurred by these investments - manufacturers of energy efficient products will have more orders, retailers will have more people making purchases and front line workers will have more installation work.

PACE is truly a means whereby the public sector can help the private sector by increasing the efficiency (and profitability) of businesses, spurring economic activity and job creation and even helping the environment. I hope AB 876 will have the support of the committee.

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AB-876 PUBLIC HEARING TESTIMONY
ASSEMBLY COMMITTEE ON ENERGY AND UTILITIES
MARCH 30, 2010

BRUCE LINDSAY, PUBLIC SECTOR SOLUTIONS MANAGER, JOHNSON CONTROLS

- Founded in 1885 and headquartered in Milwaukee, Johnson Controls is a global leader in automotive, building efficiency, and power solutions, with 133,000 employees in more than 1,300 locations around the world.
- Improving energy efficiency is one of the most effective ways for businesses to reduce costs and increase competitiveness. Energy efficiency improvements such as more efficient heating, ventilation, and air conditioning systems often pay for themselves through energy cost savings.
 - Municipalities throughout the United States have established PACE programs to provide homeowners and businesses with cost-effective energy solutions. At least 16 states have enacted PACE enabling legislation. In Wisconsin, Milwaukee, Racine, and River Falls currently have residential PACE programs.
- PACE programs eliminate the upfront cost barrier for homeowners and businesses by spreading the capital cost of the improvement over a ten- to twenty-year period.
- Municipalities benefit from PACE programs through local job creation, economic growth, and a low-risk, sustainable revolving loan fund.
- AB-876 will give Wisconsin municipalities the flexibility to design PACE programs that work best for each community.
- Owner-arranged financing will provide additional private-sector funding and flexibility for municipalities and property owners.