

### Fiscal Estimate - 2013 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>13-0380/1</b>	<b>Introduction Number</b> <b>SB-064</b>
------------------------------------	--

**Description**  
 Renewable energy goals for state energy consumption and for energy use by certain state agencies

**Fiscal Effect**

**State:**

<input type="checkbox"/> No State Fiscal Effect	<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget
<input type="checkbox"/> Increase Existing Appropriations	<input type="checkbox"/> Decrease Existing Appropriations	<input type="checkbox"/> Decrease Existing Revenues	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
<input type="checkbox"/> Create New Appropriations			<input type="checkbox"/> Decrease Costs

**Local:**

<input type="checkbox"/> No Local Government Costs	<input type="checkbox"/> Indeterminate	<b>5. Types of Local Government Units Affected</b>	
1. <input type="checkbox"/> Increase Costs	3. <input type="checkbox"/> Increase Revenue	<input type="checkbox"/> Towns	<input type="checkbox"/> Village <input type="checkbox"/> Cities
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Counties	<input type="checkbox"/> Others
2. <input type="checkbox"/> Decrease Costs	4. <input type="checkbox"/> Decrease Revenue	<input type="checkbox"/> School Districts	<input type="checkbox"/> WTCS Districts
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory	<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory		

<b>Fund Sources Affected</b>	<b>Affected Ch. 20 Appropriations</b>
<input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS	

<b>Agency/Prepared By</b> UWS/ Adam Pfost (608) 262-4836	<b>Authorized Signature</b> Freda Harris (608) 262-2734	<b>Date</b> 4/1/2013
---	--	-------------------------

## Fiscal Estimate Narratives

UWS 4/1/2013

LRB Number	13-0380/1	Introduction Number	SB-064	Estimate Type	Original
<b>Description</b> Renewable energy goals for state energy consumption and for energy use by certain state agencies					

### Assumptions Used in Arriving at Fiscal Estimate

The overall assumption is that the main driver of electrical energy use is the provision of power to operate campus space. The UW System Capital Physical Development Plan for 2013-17 identifies construction of approximately 500,000 gross square feet (GSF) of new facility space each year.

Over the last 30 years, UW System electrical energy use has increased by approximately 23 kilowatt-hours (kWhs) per GSF of new space constructed.

UW System FY2012 electrical energy use is approximately 768,000,000 kWhs. Assuming that new construction continues at the same rate and that the energy use per GSF remains the same, the electrical use in 2025 will be approximately 917,000,000 kWhs. Thirty percent of agency electrical energy use would be about 275,000,000 kWhs.

The Wisconsin Public Service Strategic Energy Assessment of November 2012 indicated that bulk industrial electrical costs for normal electrical generation increased by an average of 6.8 percent per year between 2002 and 2010. Therefore, it is estimated that the green energy rate in 2025 will be between \$0.030 per kWh, which is the current rate, and \$0.057 per kWh, which is the current rate increased by 6.8 percent until 2025.

If the lower, current rate is used, green energy will cost approximately \$8,250,000 by in 2025. If the higher rate is used, green energy will cost approximately \$15,675,000 in 2025.

### Long-Range Fiscal Implications

The future cost of green electrical energy is very difficult to predict. It is known that DOA purchased green energy for the UW System in FY2009, FY2010, FY2011, and FY2012 to comply with 2005 Act 141. In FY 2009, the cost of green energy was \$0.017 per kWh. This cost increased to \$0.030 per kWh for FY2012, which is a 25 percent increase.

It is also known that the federal tax credit for construction of new wind energy production is due to expire in the next year. Wind production is the main generation method used to provide green electrical energy.

## Fiscal Estimate Worksheet - 2013 Session

Detailed Estimate of Annual Fiscal Effect

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> 13-0380/1		<b>Introduction Number</b> SB-064	
<b>Description</b> Renewable energy goals for state energy consumption and for energy use by certain state agencies			
<b>I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):</b>			
<b>II. Annualized Costs:</b>		<b>Annualized Fiscal Impact on funds from:</b>	
		Increased Costs	Decreased Costs
<b>A. State Costs by Category</b>			
State Operations - Salaries and Fringes	\$		\$
(FTE Position Changes)			
State Operations - Other Costs	11,962,500		
Local Assistance			
Aids to Individuals or Organizations			
<b>TOTAL State Costs by Category</b>	<b>\$11,962,500</b>		<b>\$</b>
<b>B. State Costs by Source of Funds</b>			
GPR	11,962,500		
FED			
PRO/PRS			
SEG/SEG-S			
<b>III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</b>			
	Increased Rev		Decreased Rev
GPR Taxes	\$		\$
GPR Earned			
FED			
PRO/PRS			
SEG/SEG-S			
<b>TOTAL State Revenues</b>	<b>\$</b>		<b>\$</b>
<b>NET ANNUALIZED FISCAL IMPACT</b>			
	<u>State</u>		<u>Local</u>
NET CHANGE IN COSTS	\$11,962,500		\$
NET CHANGE IN REVENUE	\$		\$
<b>Agency/Prepared By</b>		<b>Authorized Signature</b>	<b>Date</b>
UWS/ Adam Pfof (608) 262-4836		Freda Harris (608) 262-2734	4/1/2013