



State of Wisconsin
2023 - 2024 LEGISLATURE

LRB-1524/P1
EHS:wlj

DOA:.....Sherwin, BB0360 - Social cost of carbon

FOR 2023-2025 BUDGET -- NOT READY FOR INTRODUCTION

AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

STATE GOVERNMENT

PUBLIC UTILITY REGULATION

Social cost of carbon

This bill requires PSC to consider the social cost of carbon in determining whether to issue certificates required to construct large electric generating facilities or high-voltage transmission lines or to engage in certain other public utility projects. The bill defines “social cost of carbon” as a measure of the economic harms and other impacts expressed in dollars that result from emitting one ton of carbon dioxide into the atmosphere. The bill requires PSC to evaluate and set the social cost of carbon emissions as a dollar amount per ton of carbon dioxide emitted into the atmosphere. The bill requires PSC to evaluate and adjust as necessary that dollar amount every two years. In making the evaluations, PSC must use integrated assessment models and consider appropriate discount rates. The bill requires any adjustment by PSC to be consistent with the international consensus on the social cost of carbon. The bill requires PSC to consult with DNR in making the evaluations.

The bill also requires that, beginning no later than December 31, 2023, PSC must submit a report every odd-numbered year to the legislature describing PSC’s evaluation of the social cost of carbon. If PSC adjusts the previously set dollar amount, the report must specify the social cost of carbon as adjusted by PSC.

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

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

SECTION 1. 196.025 (1h) of the statutes is created to read:

196.025 **(1h)** SOCIAL COST OF CARBON EMISSIONS. (a) In this subsection, “social cost of carbon” means a measure of the economic harms and other impacts expressed in dollars that result from emitting one ton of carbon dioxide into the atmosphere.

(b) In consultation with the department of natural resources, the commission shall evaluate and set the social cost of carbon and shall evaluate and adjust as necessary that dollar amount every 2 years. The evaluations shall use integrated assessment models and consider appropriate discount rates. Any adjustment shall be consistent with the international consensus on the social cost of carbon.

(c) No later than December 31, 2023, and no later than December 31 every odd-numbered year thereafter, the commission shall submit to the appropriate standing committees of the legislature under s. 13.172 (3) a report that describes the commission’s evaluation under par. (b) and, if the commission adjusts the previously set dollar amount under par. (b), specifies the social cost of carbon as adjusted by the commission.

(d) The commission shall consider the social cost of carbon in determining whether to issue certificates under ss. 196.49 and 196.491 (3).

SECTION 9336. Initial applicability; Public Service Commission.

(1) SOCIAL COST OF CARBON. The treatment of s. 196.025 (1h) (d) first applies to applications for certificates that are received on December 31, 2023.

(END)