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## WISCONSIN LEGISLATIVE COUNCIL STAFF MEMORANDUM

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Memo No. 6

TO: MEMBERS OF THE SPECIAL COMMITTEE ON DOMESTIC BIOFUELS

FROM: John Stolzenberg, Chief of Research Services, and Larry Konopacki, Staff Attorney

RE: Policy Options on Greenhouse Gas Reduction Requirements for Transportation Fuels

DATE: December 11, 2008

This Memo provides a list of potential policy options relating to greenhouse gas reduction requirements for transportation fuels. Alternatives within an option are set off in brackets.

### **OPTIONS**

#### **I. Regional approach to greenhouse gas emissions in all transportation fuels**

- A. Wait for a recommendation from the Midwest Governors Association (MGA) regarding its work on a regional plan for greenhouse gas emissions reductions.
- B. Write to the MGA or the Governor regarding the MGA's work [expressing support for the initiative] [requesting consideration of specific program goals, principles guiding the development of the regional plan, or concerns or conditions for supporting the requirement].
  - **Comment:** An example of a principle in the second bracketed option is to request that the recommendation be developed using a specified process for public input.
- C. Request that the Joint Legislative Council create a new committee to study this issue.
- D. Request that Wisconsin legislative leaders engage in the development of a regional greenhouse gas emission reduction requirement with legislative leaders in other states in our region.
- E. Direct a state agency to prepare draft legislation containing a regional greenhouse gas emission reduction requirement for consideration by the Legislature.
- F. Specify a regional greenhouse gas emission reduction requirement that includes a condition that it becomes effective in Wisconsin upon adoption in specified other states.

- **Comment:** Preparation of this legislation will require consideration of a number of issues including: the amount of greenhouse gas reduction, to who and to which fuels the standard would apply; how the standard would be measured and, if on a lifecycle analysis basis, what would be included in that analysis; exceptions and variances to the standard; any applicable credits, trading, and banking systems; process for modifying the standard; governance and oversight of the implementation of the standard; enforcement both within and between states; and funding and staffing for this program.

## **II. State approach to greenhouse gas emissions in transportation biofuels**

A. Require all biofuels [produced] [sold] in the state to meet the greenhouse gas reduction requirements in the federal renewable fuels standard.

- **Comment:** Preparation of this legislation will require consideration of a number of issues including: who the standard would apply to; the system for tracking compliance, including reporting by affected parties and meshing and with the federal renewable identification number (RIN) system; enforcement; whether to combine this initiative with a Wisconsin-specific renewable fuels standard; and funding and staffing for this program.

## **III. Federal approach to greenhouse gas emissions in biofuels or all transportation fuels**

A. Write to the Wisconsin congressional delegation requesting changes in the federal renewable fuel standard (RFS) and associated greenhouse gas reduction requirements.

- **Comment:** An example of such a change is a request to change the greenhouse gas reduction requirements in the federal RFS.

B. Write to the Wisconsin congressional delegation requesting creation of a federal low carbon fuel standard applicable to all transportation fuels.

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