



## 2009 SENATE BILL 450

January 7, 2010 - Introduced by Senators MILLER and PLALE, cosponsored by Representatives BLACK and SOLETSKI, by request of Governor James E. Doyle. Referred to Select Committee on Clean Energy.

1     **AN ACT** *to repeal* 20.155 (3) (s), 196.374 (1) (i), 196.374 (1) (o), 196.374 (3) (b)  
2           (title) and 2. to 4., 196.374 (5) (bm) 3., 196.374 (7) (a), 196.374 (7) (b) 2., 196.374  
3           (7) (c), 196.374 (7) (d), 196.377 (title), 196.377 (2), 196.378 (1) (am), 196.378 (1)  
4           (b), 196.378 (1) (fr), 196.378 (1) (h) 1., 1m. and 2., 196.378 (1) (j), 196.378 (1) (o),  
5           196.378 (2) (b) 2., 196.378 (2) (b) 4. and 5. and 196.378 (4); **to renumber** 16.965  
6           (1) (a), 84.185 (4), 196.025 (1) (ag) 1., 196.25 (1), 196.374 (7) (b) (title), 196.377  
7           (1), 196.378 (1) (c) and (d), 196.378 (1) (fm) (intro.), 196.378 (1) (g), 196.378 (1)  
8           (k), 196.378 (1) (p), 196.49 (1), 196.491 (5), 196.493 (2) (b) 3., 196.65 (1), 196.66  
9           (1) and 292.75 (5); **to renumber and amend** 26.38 (2m) (b), 101.027 (1),  
10          196.025 (1) (b) 1., 196.374 (7) (b) 1., 196.374 (8), 196.378 (1) (intro.) and (ag),  
11          196.378 (1) (ar), 196.378 (1) (fg), 196.378 (1) (fm) 1., 196.378 (1) (fm) 2., 196.378  
12          (1) (h) (intro.), 196.378 (1) (i), 196.378 (2) (c), 196.491 (1) (g), 196.491 (1) (w) 2.,  
13          196.491 (3m) (d), 196.493 (1), 196.493 (2) (intro.), 196.493 (2) (a), 196.493 (2) (b)  
14          (intro.), 196.493 (2) (b) 1., 196.493 (2) (b) 2., 285.30 (5), 292.75 (7), 560.032 (1),

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1           560.032 (2), 560.302 and 560.305 (4); ***to consolidate, renumber and amend***  
2           196.374 (3) (a) and (b) 1. and 196.374 (3) (c) 2. (intro.), a. and b.; ***to amend*** 16.75  
3           (12) (a) 4., 16.965 (2), 25.96, 66.0309 (title), 66.0602 (2), 77.54 (30) (a) 1m.,  
4           79.005 (1b), 79.005 (4) (d), 79.04 (6) (a), 84.185 (3) (a) (intro.), 101.027 (2),  
5           101.027 (3) (a) 1., 101.027 (3) (b) 1., 101.62, 101.63 (1) (intro.), 101.80 (1j), 110.20  
6           (1) (b), 110.20 (3) (a), 196.025 (1) (b) 2., 196.025 (1) (c) 1., 196.025 (1) (c) 2.,  
7           196.025 (2m) (c), 196.374 (1) (b), 196.374 (1) (c), 196.374 (1) (d), 196.374 (1) (f),  
8           196.374 (1) (j) (intro.), 196.374 (2) (a) 1., 196.374 (2) (a) 2. (intro.), 196.374 (2)  
9           (a) 2. a., 196.374 (2) (a) 2. b., 196.374 (2) (a) 2. d., 196.374 (2) (a) 3., 196.374 (2)  
10          (b) (title), 196.374 (2) (b) 1., 196.374 (2) (b) 2., 196.374 (2) (b) 3., 196.374 (2) (c),  
11          196.374 (3) (c) (title), 196.374 (3) (c) 1., 196.374 (3) (d), 196.374 (3) (e) 1., 196.374  
12          (3) (e) 2., 196.374 (3) (f) 1., 196.374 (3) (f) 2., 196.374 (3) (f) 3., 196.374 (3) (f) 4.,  
13          196.374 (4) (a) (intro.), 196.374 (4) (a) 1., 196.374 (4) (a) 2., 196.374 (4) (b),  
14          196.374 (5) (a), 196.374 (5) (d), 196.374 (5m) (a), 196.374 (5m) (b), 196.374 (6),  
15          196.374 (7) (e) 1. (intro.), 196.374 (7) (e) 1. a., 196.374 (7) (e) 1. b., 196.374 (7)  
16          (e) 1. c., 196.378 (2) (a) 1., 196.378 (2) (a) 2. c., 196.378 (2) (a) 2. d., 196.378 (2)  
17          (a) 2. e., 196.378 (2) (b) (intro.), 196.378 (2) (b) 1m. (intro.), 196.378 (2) (b) 1m.  
18          a., 196.378 (2) (d) (intro.), 196.378 (2) (e) (intro.), 196.378 (2) (f), 196.378 (2) (g)  
19          2., 196.378 (4m) (a), 196.378 (4m) (b), 196.378 (5) (intro.), 196.378 (5) (a), 196.49  
20          (2), 196.49 (3) (a), 196.49 (4), 196.49 (6), 196.491 (3) (d) (intro.), 196.491 (3) (d)  
21          2., 196.491 (3) (d) 3., 196.491 (3) (g), 196.491 (3m) (title), 196.491 (3m) (a)  
22          (intro.), 196.491 (3m) (b) 1. am., 196.491 (3m) (b) 3. b., 196.491 (3m) (c) 1. a.,  
23          196.493 (title), 196.494 (1) (a), 196.52 (9) (g), 196.66 (2), 196.66 (4) (b), 196.795  
24          (11) (b), 196.85 (1m) (a), 285.30 (2) (intro.), 285.87 (1), 285.87 (2) (a), 299.97 (1),  
25          560.032 (4), 560.081 (2) (e), 560.13 (2) (b) 2., 560.13 (3) (intro.) and 560.205 (1)

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1 (g); *to repeal and recreate* 196.374 (7) (e) (title) and 196.378 (3); *to create*  
2 15.347 (3), 16.856, 16.954, 16.956 (1) (bk) and (bn) and (3) (f) to (i), 16.956 (3)  
3 (j), 16.965 (1) (ag), 16.965 (1) (c), 16.965 (4) (g), 16.965 (5), 20.115 (4) (d), 26.38  
4 (2m) (b) 2., 26.38 (3) (d), 26.42, 36.605, 66.0309 (17), 66.0602 (3) (e) 9., 76.28 (1)  
5 (gm) 3., 84.185 (1) (br) and (cr), 84.185 (2) (b) 15., 84.185 (2) (d), 84.185 (2m),  
6 84.185 (4) (b), 85.021, 85.0215, 93.47, 93.475, 100.215, 101.02 (23), 101.027 (1g),  
7 101.027 (1r), 101.027 (4), 101.028, 101.173, 101.63 (1m), 101.80 (2m), 196.025  
8 (1) (ag) 1g., 196.025 (1) (b) 1. b., 196.025 (1) (c) 3., 196.025 (1) (e), 196.025 (7),  
9 196.25 (1g), 196.374 (1) (am), 196.374 (1) (dm), 196.374 (1) (er), 196.374 (1)  
10 (hm), 196.374 (1) (ig), 196.374 (1) (ir), 196.374 (1) (j) 8., 196.374 (1) (mb), 196.374  
11 (1) (me), 196.374 (1) (mh), 196.374 (1) (mL), 196.374 (1) (mo), 196.374 (1) (mr),  
12 196.374 (1) (mu), 196.374 (3) (bc), (bg), (bn), (br) and (bw), 196.374 (3) (c) 2. am.,  
13 bm., c., d. and e., 196.374 (3) (dm), 196.374 (5m) (am), 196.374 (7) (am), 196.374  
14 (7) (bg), 196.374 (7) (cm), 196.374 (7) (dm), 196.374 (7) (e) 1. e., 196.374 (8) (a),  
15 (b) and (c), 196.374 (9), 196.378 (1g), 196.378 (1r) (de), 196.378 (1r) (dm),  
16 196.378 (1r) (ds), 196.378 (1r) (fg) 2., 196.378 (1r) (fg) 3., 196.378 (1r) (fm) 3.,  
17 196.378 (1r) (fm) 4., 196.378 (1r) (gm), 196.378 (2) (a) 2. f., 196.378 (2) (a) 2. g.,  
18 196.378 (2) (a) 2. h., 196.378 (2) (a) 2. i., 196.378 (2) (b) 1r., 196.378 (2) (b) 2m.,  
19 196.378 (2) (bm), 196.378 (2) (h), 196.378 (3m), 196.379, 196.49 (1g), 196.49 (3)  
20 (cm), 196.49 (5m), 196.491 (1) (g) 2., 196.491 (1) (i), 196.491 (1) (j), 196.491 (1)  
21 (w) 2. b., 196.491 (3) (em), 196.491 (3m) (d) 1., 196.491 (3m) (d) 2., 196.491 (5)  
22 (am), 196.491 (5) (c) 1. am., 196.491 (5) (c) 2. bm., 196.493 (1g), 196.493 (1r) (ag),  
23 196.493 (1r) (b), 196.493 (2) (am) 1m., 196.493 (2) (am) 2. c., 196.493 (2) (am)  
24 3., 196.493 (2) (am) 4., 196.493 (2) (c), 196.493 (3), 196.493 (4), 196.494 (1) (am),  
25 196.65 (1g), 196.65 (2), 196.66 (1g), 196.795 (6m) (a) 4m., 196.795 (6m) (cm),

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1 196.80 (1r), 196.85 (1m) (e), 285.305, 285.60 (11), 285.795, 292.75 (5) (a) 2m.,  
2 292.75 (5) (b), 292.75 (5m), 292.75 (7) (b), 299.03, 299.035, 299.04, 299.045,  
3 346.94 (21), 346.95 (11), 560.032 (1g), 560.032 (1r) (b), 560.032 (2) (b), 560.081  
4 (1m), 560.081 (2) (f) 6., 560.13 (2) (b) 3., 560.13 (3) (em), 560.13 (3m), 560.302  
5 (1m) and 560.305 (4) (b) of the statutes; and *to affect* 1983 Wisconsin Act 401,  
6 section 1; **relating to:** goals for reductions in greenhouse gas emissions, for  
7 construction of zero net energy buildings and for energy conservation;  
8 information, analyses, reports, education, and training concerning greenhouse  
9 gas emissions and climate change; energy efficiency and renewable resource  
10 programs; renewable energy requirements of electric utilities and retail  
11 cooperatives; requiring electric utilities to purchase renewable energy from  
12 certain renewable facilities in their service territories; authority of the Public  
13 Service Commission over nuclear power plants; motor vehicle emission  
14 limitations; a low carbon standard for transportation fuels; the brownfield site  
15 assessment grant program, the main street program, the brownfields grant  
16 program, the forward innovation fund, grants to local governments for  
17 planning activities, the transportation facilities economic assistance and  
18 development program, a model parking ordinance; surface transportation  
19 planning by the Department of Transportation and metropolitan planning  
20 organizations to reduce greenhouse gas emissions; environmental evaluations  
21 for transportation projects; idling limits for certain vehicles; energy  
22 conservation codes for public buildings, places of employment, one- and  
23 two-family dwellings, and agricultural facilities; design standards for state  
24 buildings; energy efficiency standards for certain consumer audio and video  
25 devices, boiler inspection requirements; greenhouse gas emissions and energy

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1 use by certain state agencies and state assistance to school districts in  
2 achieving energy efficiencies; creating an exception to local levy limits for  
3 amounts spent on energy efficiency measures; creating an energy crop reserve  
4 program; identification of private forest land, promoting sequestration of  
5 carbon in forests, qualifying practices and cost-share requirements under the  
6 forest grant program established by the Department of Natural Resources; air  
7 pollution permits for certain stationary sources reducing greenhouse gas  
8 emissions; allocating a portion of existing tax-exempt industrial development  
9 revenue bonding to clean energy manufacturing facilities and renewable power  
10 generating facilities; requiring a report on certain programs to limit  
11 greenhouse gas emissions; granting rule-making authority; requiring the  
12 exercise of rule-making authority; and providing a penalty.

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***Analysis by the Legislative Reference Bureau***

This bill contains numerous provisions relating to reducing greenhouse gas emissions, and increasing energy efficiency and the use of renewable resources to produce energy.

**GREENHOUSE GAS EMISSION REDUCTION GOALS**

This bill specifies goals for statewide reductions in net greenhouse gas emissions. The goals are: that the amount of emissions in 2014 does not exceed the amount in 2005; that the amount of emissions in 2022 is at least 22 percent less than the amount in 2005; and that the amount of emissions in 2050 and thereafter is at least 75 percent less than the amount in 2005. The bill requires the Department of Natural Resources (DNR) to quadrennially assess progress toward meeting the goals.

**ZERO NET ENERGY BUILDING GOAL**

This bill specifies that it is the goal of this state that by 2030 each newly constructed residential or commercial building will use no more energy than is generated on-site using renewable resources. The bill requires the Department of Commerce (Commerce) to quadrennially assess progress toward meeting the goal.

**ENERGY CONSERVATION GOALS**

This bill specifies goals for reductions in projected statewide consumption of electricity, liquified petroleum gas, heating oil, and natural gas by percentages

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specified in the bill. The bill requires the Public Service Commission (PSC) to quadrennially assess progress toward meeting the goals.

**INFORMATION, ANALYSES, AND REPORTS**

This bill requires DNR to collect or estimate information on greenhouse gas emissions, to prepare inventories and analyses of greenhouse gas emissions, and to quadrennially prepare an assessment of whether this state is meeting current greenhouse gas emission reduction goals and of whether the state is likely to meet future goals. The bill requires DNR to propose new climate change programs or changes in existing programs or goals.

The bill creates the Climate Change Coordinating Council (council), consisting of the heads of specified state agencies or their designees, and requires the council to make recommendations on climate change policy to the legislature and the governor based on DNR's assessments and other information. The bill also requires the council to promote and coordinate educational and training programs related to climate change.

Under current DNR rules, the threshold for a stationary source of air emissions to report its emissions of carbon dioxide is 100,000 tons per year. The bill requires DNR to lower the threshold to 10,000 tons per year and to require a source that must report its emissions of carbon dioxide to also report methane and nitrous oxide emissions from the combustion of fuel.

**ENERGY EFFICIENCY AND RENEWABLE RESOURCE PROGRAMS**

Under current law, investor-owned electric and natural gas utilities (energy utilities) must collectively fund and establish statewide energy efficiency and renewable resource programs. This bill refers to these programs as “statewide programs.” Subject to approval by the PSC, the energy utilities must contract with one or more persons to develop and administer the statewide programs. The bill refers to such persons as statewide programs contractors. Current law defines “energy efficiency program” as a program for reducing the usage or increasing the efficiency of the usage of energy by customers, other than certain daily or seasonal demand management programs. Current law defines “renewable resource program” as, in part, a program for encouraging the development or use of customer applications of a “renewable resource,” which is defined as a resource deriving energy from a source other than coal, petroleum products, nuclear power or, except as used in a fuel cell, natural gas. “Renewable resource” is also defined to include a resource deriving energy from solar energy, wind or water power, biomass, geothermal technology, tidal or wave action, or certain types of fuel cell technologies.

Current law also allows, but does not require, an energy utility to administer, subject to PSC approval, energy efficiency programs limited to large commercial, industrial, institutional, or agricultural customers in its service territory. The bill refers to these programs as “utility-administered programs.” In addition, the PSC may also allow an energy utility to administer additional energy efficiency or renewable resource programs, which are referred to as “supplemental utility programs.” Also, the PSC may allow certain large energy customers of energy utilities to administer their own energy efficiency programs, which are referred to as “large energy customer programs.” Under current law, with certain exceptions,

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the PSC must require energy utilities to spend 1.2 percent of their operating revenues on statewide programs and utility-administered programs, and the PSC must ensure in rate-making orders that an energy utility recovers from its customers the amounts it spends on statewide programs, subject to certain requirements regarding customer classes and large energy customers.

Municipal electric utilities and retail electric cooperatives are subject to different requirements. Under current law, subject to certain exceptions, municipal electric utilities and retail electric cooperatives must charge a monthly fee to each customer or member that is sufficient to collect an annual average of \$8 per meter. Municipal electric utilities and retail electric cooperatives must either contribute the amounts collected to the statewide programs or administer their own energy efficiency programs, which are referred to as “commitment to community programs.”

The bill makes the following changes to the requirements described above.

***Liquefied petroleum gas and heating oil.*** Under current law, only the users of electricity and natural gas are eligible to participate in energy efficiency and renewable resource programs. The bill allows users of liquefied petroleum gas or heating oil to participate in energy efficiency programs as well. The bill refers to electricity and natural gas as “regulated fuels” and liquefied petroleum gas and heating oil as “unregulated fuels.” Regulated and unregulated fuels are jointly referred to as “target fuels.”

***Program goals and funding.*** Under current law, the PSC has oversight of the statewide, utility-administered, supplemental utility, and large energy customer programs, and must coordinate all programs with similar purposes. At least every four years, the PSC is required to evaluate the programs and to set or revise goals, priorities, and measurable targets for the programs. The bill creates more detailed requirements for the PSC’s review of programs, including requirements for setting goals and funding programs.

The bill requires the PSC to conduct a proceeding every four years to assess the reduction in the use of and demand for each target fuel that can be achieved in each year of the upcoming quadrennium through each of the following: 1) energy efficiency and renewable resource programs administered by energy utilities, municipal electric utilities, retail electric cooperatives, or others; 2) low-income weatherization programs; 3) other programs and policy mechanisms under the PSC’s jurisdiction; and 4) other programs and policy mechanisms, such as appliance and equipment efficiency standards, mandatory building codes, and voluntary certification programs. Based on the foregoing assessments, the bill specifies a formula for the PSC to establish goals for the reduction in use of or demand for each target fuel for each year of the upcoming quadrennium. The PSC must establish one set of goals for the statewide programs and a separate set of goals for each municipal electric utility and retail electric cooperative. For the statewide programs, the PSC sets goals for each regulated fuel that is based, in part, on the proportion of total sales of the fuel that is attributable to all energy utilities. For an individual municipal electric utility or retail electric cooperative, the PSC sets goals for regulated fuels that are based, in part, on the proportion of total sales of the fuel that are attributable to the utility or cooperative. For unregulated fuels, the PSC sets goals for the

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statewide programs, but not for individual municipal electric utilities and retail electric cooperatives.

Regarding funding, the bill repeals the requirements under current law for energy utilities to spend 1.2 percent of their operating revenues and municipal electric utilities and retail electric cooperatives to charge monthly fees to customers and members. Instead, for municipal electric utilities and retail electric cooperatives, the bill allows them to determine the funding amounts necessary to achieve their goals for regulated fuels in each year of the upcoming quadrennium. Except for assignments to wholesale suppliers, which are discussed below, a municipal electric utility or retail electric cooperative must spend the amounts it determines on commitment to community programs regarding the regulated fuel that are administered individually by the municipal electric utility or retail electric cooperative or jointly with other municipal electric utilities and retail electric cooperatives. Alternatively, a municipal electric utility or retail electric cooperative may spend the amounts it determines on contracts with a statewide programs contractor or wholesale supplier to administer commitment to community programs in the utility's or cooperative's service territory, or may spend the amount on any combination of individually or jointly administered programs or contracts.

For energy utilities, the bill creates requirements for them to fund the statewide programs. The PSC must determine the amount of funding required to achieve the goal for each target fuel under the statewide programs for each year of the upcoming quadrennium, and subtract from that amount any amounts the PSC has authorized to be spent on utility-administered or large energy customer programs for the target fuel. The difference is the total funding required for the target fuel under the statewide programs. For regulated fuels, the PSC then determines each energy utility's percentage of the total sales of the regulated fuel in the quadrennium prior to the proceeding. Annually, an energy utility must pay to statewide programs contractors an amount equal to that percentage multiplied by the total funding required for the regulated fuel. However, an energy utility is allowed to reduce its payment by any amount the PSC has authorized the utility to spend on utility-administered programs and any amount the PSC has authorized the utility's customers to spend on large energy customer programs. For unregulated fuels, funding of the goals is borne by "prime suppliers," which the bill defines as persons who import an unregulated fuel into this state for use in this state. The PSC must determine each prime supplier's percentage of the total sales of the unregulated fuel in the quadrennium prior to the proceeding. Annually, a prime supplier must pay to statewide programs contractors an amount equal to that percentage multiplied by the total funding required for the unregulated fuel.

***Assignments to wholesale suppliers.*** Current law defines "wholesale supplier" as a municipal electric company or wholesale electric cooperative that supplies electricity at wholesale to a municipal electric utility or retail electric cooperative. The bill allows a municipal electric utility or retail electric cooperative to assign its duties regarding a goal to its wholesale supplier. A wholesale supplier who accepts an assignment must notify the PSC, determine the funding amount necessary to achieve the assigned goal, and spend the amount so determined in



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administering commitment to community programs on behalf of the municipal electric utility or retail electric cooperative. The wholesale supplier must also take other actions regarding the municipal electric utility's or retail electric cooperative's reporting and auditing duties with respect to the goal. In addition, if a wholesale supplier accepts an assignment from more than one municipal electric utility or retail electric cooperative, the wholesale supplier must carry out the its duties on an aggregate basis on behalf of all the municipal electric utilities and retail electric cooperatives that made an assignment.

***Compliance and enforcement.*** Under the bill, the PSC must determine whether the statewide and commitment to community programs have met their goals on average over the quadrennium following the proceeding establishing the goals. If a wholesale supplier accepts an assignment from more than one municipal electric utility or retail electric cooperative, the PSC must determine whether the relevant goals have been met on an aggregate basis. The PSC must also determine whether utility-administered, supplemental utility, and large energy customer programs have met their goals over the period of the program or another time period determined by the PSC.

If the PSC determines that a program has failed to meet one or more goals, the PSC must determine the reason for that failure. If the PSC determines that the person responsible for the program made a good faith effort to meet the goals and that the failure to do so was due to factors outside that person's control, the PSC must take those factors into account in modifying goals when approving future programs administered by that person. If the PSC determines that the person responsible for the program did not make a good faith effort to meet the goals or that the failure to do so was due to factors within that person's control, the PSC must implement remedies specified in rules promulgated by the PSC. However, the PSC may find that a person did not make a good faith effort only if the PSC finds that the person has repeatedly or grossly failed to meet a goal or, with respect to a commitment to community program, that the person administering the program did not determine a funding amount that was reasonably necessary to meet the goal. In addition, the PSC may promulgate rules specifying other conditions for finding that a person did not make a good faith effort to meet a goal.

The bill requires that the remedies specified in the PSC's rules must be in proportion to the magnitude of the failure and the degree to which the person did not make a good faith effort or control the relevant factors. The potential remedies must include an order that the person take corrective actions, which may include meeting a goal in a time period specified by the PSC, in addition to meeting any other goals that apply during that time period. In addition, for statewide programs, the potential remedies must include the following: 1) an order that energy utilities or a statewide programs contractor invoke any contractual remedies that imposes monetary penalties for failure to meet a goal; 2) an order that the energy utilities modify or terminate a contract with a statewide programs contractor; and 3) an order that a statewide programs contractor terminate or modify any subcontract. For utility-administered programs and large energy customer programs, the potential remedies must include an order modifying or terminating the program. For

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commitment to community programs, the potential remedies must include the following: 1) modification or termination of a contract with, or assignment to, a wholesale supplier; and 2) a requirement that a municipal electric utility or retail electric cooperative enter into a contract with a statewide programs contractor.

***Other changes.*** The bill makes other changes, including the following:

1. The bill creates additional requirements for the PSC's approval of utility-administered, supplemental utility, and large energy customer programs. The bill also clarifies that utility-administered and supplemental utility programs must be limited to services related to regulated fuels and that supplemental utility programs must be limited to an energy utility's customers. In addition, the bill allows an energy utility to request PSC approval at any time to establish, modify, or discontinue a utility-administered or supplemental utility program.

2. Current law requires that the PSC ensure that statewide and utility-administered program costs are equitably divided among customer classes and that customer classes have the opportunity to receive grants and benefits under the programs in amounts equal to the amounts recovered from the class to fund the programs. Under the bill, the PSC may allow a customer class the opportunity to receive grants and benefits not equal to the amount recovered from the class if the PSC finds that to do so is in the public interest and promotes the cost-effective achievement of program goals.

3. The bill requires the PSC to promulgate rules for allowing, under specified circumstances, an energy utility to earn a return on capital invested in energy conservation or efficiency equipment under a utility-administered or supplemental utility program.

4. The bill allows commitment to community programs to include renewable resource programs, as well as the energy efficiency programs allowed under current law.

5. Current law prohibits the PSC from imposing additional energy conservation and efficiency requirements on energy utilities that have complied with their duties under the statewide programs. The bill creates a similar prohibition regarding municipal electric utilities and wholesale suppliers that have, on average, complied with commitment to community program goals or have made a good faith effort to comply.

6. Under current law, the PSC is required to annually contract for an audit of statewide, utility-administered, supplemental utility, and large energy customer programs. Under the bill, if an audit indicates that a program has failed to meet any goal for any one year, the PSC must consult with the person administering the program regarding ways to modify the program to ensure that it meets its goals.

7. The bill allows the PSC to recover its costs related to administering energy efficiency and renewable resource programs through an assessment procedure specified in current law.

8. The bill revises the definition of "renewable resource" so that it does not include resources deriving energy from natural gas or nonbiological industrial, commercial, or household waste. Under current law, a resource that derives energy from natural gas used in a fuel cell is considered a renewable resource.

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9. The bill requires the PSC to exercise its regulatory authority to ensure, under certain circumstances, maximum reductions in the use of and demand for regulated fuels.

10. The bill requires the PSC to ensure in its rate-making orders that municipal electric utilities recover from ratepayers the amounts necessary to comply with requirements for commitment to community programs. Current law imposes a similar duty regarding energy utilities.

11. The bill requires the PSC to study whether its rules allow an adequate opportunity for creating large energy customer programs and report its findings to the legislature and governor.

**RENEWABLE PORTFOLIO STANDARD**

Under current law, electric utilities and retail electric cooperatives (electric providers) are required to ensure that, in a given year, a specified percentage of the electricity that the utility or cooperative sells to customers is generated from renewable resources. These and related requirements are commonly referred to as the renewable portfolio standard (RPS). The bill makes the following changes to the RPS.

***RPS deadlines.*** Under current law, the RPS includes deadlines that apply to an electric provider’s “renewable energy percentage” (REP). In general, an electric provider’s REP for a particular year is the percentage resulting from the proportion in which the denominator is the total amount of electricity that the electric provider sold to customers or members in the year and the numerator is the sum of the following: 1) the amount of electricity derived from renewable resources that the electric provider sold to its customers or members in the year; and 2) the amount of any renewable resource credits (RRCs) that the electric provider elects to use in the year. Current law generally prohibits an electric provider from decreasing its REP in 2009 below the electric provider’s “baseline renewable percentage” (BRP). Current law defines BRP as the average of an electric provider’s REP for 2001, 2002, and 2003.

With certain exceptions, current law does the following: 1) in 2010, requires an electric provider to increase its REP at least 2 percentage points above its BRP; 2) in 2011 to 2014, prohibits an electric provider from decreasing its REP below the percentage required in 2010; 3) in 2015, requires an electric provider to increase its REP at least 6 percentage points above its BRP; and 4) in each year after 2015, prohibits an electric provider from decreasing its REP below the percentage required in 2015.

The bill changes the foregoing deadlines as follows: 1) in 2013, rather than in 2015, an electric provider must increase its REP at least 6 percentage points above its BRP; 2) in 2014 to 2019, an electric provider may not decrease its REP below the percentage required in 2013; 3) in 2020, an electric provider must increase its REP at least 16 percentage points above its BRP; 4) in 2021 to 2024, an electric provider may not decrease its REP below the percentage required in 2020; 5) in 2025, an electric provider must increase its REP at least 21 percentage points above its BRP; and 6) in each year after 2025, an electric provider may not decrease its REP below the percentage required in 2025.

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In addition, the bill imposes requirements for an electric provider’s “in-state percentage” (ISP), which is defined as the percentage of an electric provider’s REP that is derived from in-state renewable resources. In 2020, an electric provider’s ISP may not be less than 30 percent of the electric provider’s REP; and in 2021 to 2024, an electric provider’s ISP may not be less than that required in 2020. In 2025, an electric provider’s ISP may not be less than 40 percent of the electric provider’s REP; and in each year after 2025, an electric provider’s ISP may not be less than that required in 2025.

***REPs and RRCs.*** Current law allows an electric provider to create RRCs based on the amount by which the electric provider exceeds an REP required for a particular year. An electric provider may sell an RRC to another electric provider, and the purchaser may use the RRC to comply with an RPS deadline. Alternatively, an electric provider may save the RRC for its own future use. Saving an RRC in such a manner is referred to as “banking” an RRC. In general, banked RRCs expire after the fourth year after the year in which they are created, except that RRCs created before 2005 expire at the end of 2011. Current law requires the PSC to promulgate rules for administering RRCs and participating in a regional system for tracking and trading RRCs.

The bill creates new requirements for RRCs that replace the requirements described above. The bill specifies that one RRC is created at the time that a person generates one megawatt (MW) hour of renewable energy, and allows a person to sell renewable energy with associated RRCs, or separate RRCs from renewable energy and sell, trade, transfer, assign, bank, or permanently retire the RRCs. However, for renewable energy that is sold at wholesale, the bill specifies that the sale includes the associated RRCs unless an agreement between the parties specifies otherwise. In addition, the bill provides that RRCs associated with renewable energy produced at certain hydroelectric plants must be used in the year in which the RRCs are created and may not be banked, sold, or traded.

Because RRCs are created at the time renewable energy is generated, rather than as the result of an electric provider exceeding an REP for a particular year, the bill eliminates renewable energy sold in a year from the numerator used to determine an electric provider’s REP. As result, in general, the numerator consists of RRCs that an electric provider elects to use in a particular year. However, the bill requires the PSC to promulgate rules that allow an electric generator also to include in the numerator any renewable energy generated or purchased by the electric provider from which RRCs have not been separated. In addition, as noted below, an electric provider may also include in the numerator certain types of nonelectric energy.

Under the bill, if a person purchases renewable energy from which RRCs have not been separated, the purchaser has the same options with respect to the RRCs as the generator of the renewable energy. Also, a person who purchases RRCs has the same options with respect to the RRCs as the person who separated the RRCs from the renewable energy. An electric provider may use an RRC that it obtains to comply with an RPS deadline, except for RRCs that have been used to comply with the renewable energy requirements of another state. The bill also requires the PSC to promulgate rules for creating, selling, trading, transferring, assigning, banking, and

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retiring RRCs and tracking RRCs under a regional credit tracking system designated by the PSC.

***Nonelectric energy.*** The bill allows an electric provider to include in the numerator of its REP the following types of nonelectric energy to comply with an RPS deadline: 1) the thermal output from cogeneration production plants, certain biomass-fueled boilers, geothermal systems, or solar water heating systems; 2) biogas that is put into a natural gas transmission or distribution pipeline; 3) useable light delivered by a solar light pipe; and 4) other nonelectric energy derived from a renewable resource specified by the PSC by rule. The bill allows an electric provider to use nonelectric energy for an RPS deadline only if the energy is generated at an in-state facility that is placed in service after the effective date of the bill and the energy displaces the use of fossil fuel in this state. In addition, nonelectric energy may be used for an RPS deadline only in the year in which the energy is generated. Also, an electric provider may not create an RRC based on nonelectric energy. Instead, the bill allows any person, including a person that is not an electric provider, to create a certificate documenting the nonelectric energy generated by the person, and the bill allows for the sale of certificates to electric providers to comply with RPS deadlines. The PSC must promulgate rules implementing the nonelectric energy provisions of the bill, including rules for determining the MW hour equivalent of nonelectric energy.

***Hydroelectric energy.*** Under current law, an electric provider may not use electricity generated from hydroelectric facilities to satisfy an RPS deadline if the facility has a generating capacity of 60 MWs or more. The bill creates an exception to the foregoing prohibition for electricity generated after December 31, 2013, by out-of-state facilities that are placed in service on or after the bill's effective date. However, if such an out-of-state facility is located in the Province of Manitoba, the electricity may be used to satisfy an RPS deadline only if both of the following requirements are satisfied: 1) the Province of Manitoba informs the PSC in writing that final licenses have replaced interim licenses for two specified hydroelectric projects in the province and the projects have received all final approvals, licenses, and permits applicable to them under Canadian law; and 2) the PSC determines that there has been a reasonable resolution of the concerns of the First Nations affected by the projects. The First Nations is the Canadian equivalent of Native American tribes.

***Wholesale suppliers.*** The bill allows a wholesale supplier to demonstrate compliance with an RPS deadline on behalf of its members or customers, individually or in the aggregate. In addition, the bill eliminates an option under current law for a wholesale supplier to request the PSC to allow a delay in complying with an RPS deadline. However, the bill does not affect another option under current law for wholesale suppliers to obtain such a delay.

***PSC reports.*** Current law requires the PSC to report on whether the state has met a goal that, by December 31, 2015, 10 percent of all electric energy consumed in the state is renewable energy. The bill moves the goal to December 31, 2013. In addition, the bill requires the PSC to report on whether, by December 31, 2020, 20 percent of electric energy consumed in the state is renewable energy and whether 6

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percent of electric energy consumed in this state is generated from in-state renewable energy facilities. Also, the PSC must report on whether, by December 31, 2025, 25 percent of electric energy consumed in the state is renewable energy and whether 10 percent of electric energy consumed in this state is generated from in-state renewable energy facilities.

***Other changes.*** The bill makes other changes related to the RPS, including the following:

1. The bill makes legislative findings regarding the RPS, including findings regarding the need to adopt an RPS that includes requirements for in-state sources of renewable energy.

2. The bill prohibits the PSC from imposing additional renewable energy requirements on a municipal utility that is compliance with the RPS. Under current law, the prohibition applies to investor-owned, but not municipally owned, utilities.

3. The bill allows an electric provider to use electricity generated by the combustion of solid waste to satisfy an RPS deadline, but only if the solid waste has been subject to a process to remove recyclable and noncombustible materials and the solid waste is burned in a facility owned by a county in this state that was in service before January 1, 1998.

4. For a facility that burns fossil fuel with any combination of biomass, solid waste, or refuse-derived fuel, the bill creates a formula for determining the amount of electricity or thermal energy produced by the facility that an electric provider may use to comply with an RPS deadline. The formula replaces a formula under current law that applies to facilities that burn biomass and fossil fuels.

5. Under current law, with certain exceptions, the PSC must consider alternative locations when the PSC determines whether to grant a certificate of public convenience and necessity that is required before a person can begin construction of a proposed electric generating facility with a capacity of 100 MW or more. Under the bill, if the proposed facility generates electricity from renewable resources, the PSC may, but is not required to, consider alternative locations. Also, for a proposed facility that generates electricity from renewable resources that has a capacity of less than 100 MW, the bill imposes deadlines on the PSC's consideration of an application for a different certificate that is required for such a facility.

6. The bill requires the PSC, in scheduling its business, to give priority to the consideration of applications for constructing electric generating facilities of any capacity that generate electricity from renewable resources.

7. The bill requires the PSC to submit a study to the legislature and governor on options for ensuring that electric providers are able to comply with the RPS.

8. The bill requires the Department of Transportation (DOT) to submit a report to the legislature and governor on regulatory barriers to the transport of wind turbine components over the state's highways. The report must describe actions DOT has taken to remove the barriers, as well as recommend legislation to remove the barriers.

9. The bill repeals outdated requirements regarding the construction of renewable energy facilities by certain public utilities in the eastern part of the state.

**SENATE BILL 450****RENEWABLE ENERGY OFFER TO PURCHASE ORDERS**

With certain exceptions, this bill requires the PSC to issue an order directed at each retail electric utility that requires such a utility to offer to purchase the renewable energy generated at renewable facilities within the utility's service territory that are constructed after the effective date of the PSC's order. The bill defines "renewable facility" as an electric generating facility that derives energy from: 1) photovoltaic energy; 2) wind power; 3) gas made from renewable resources specified under the renewable portfolio standard statute; or 4) any other renewable resource specified by the PSC. In addition, to qualify as a "renewable facility," the facility must be a small-scale facility, as determined by the PSC.

The PSC's orders must specify standard purchase terms for each type of renewable facility, including terms for prices paid for renewable energy, payment schedules, and maximum limits on generating capacity. In specifying terms for renewable energy prices, the PSC must consider production costs, reasonable rates of return on investment, and state and federal incentives available to facility owners and operators. The PSC's orders may also include any of the following: 1) requirements for adjusting the standard purchase terms based on changes in operating costs; 2) different prices for renewable energy generated at renewable facilities of the same type that have different generating capacities; or 3) other conditions specified by the PSC. The PSC's orders must also prescribe for each type of renewable facility a standardized agreement incorporating the applicable terms and conditions.

The bill allows the PSC to limit a requirement upon a utility to purchase renewable energy from renewable facilities under an order described above. The PSC may base a limit on the number of renewable facilities, the total installed generating capacity of renewable facilities, or the total amount of renewable energy that must be purchased. However, the PSC may limit a requirement upon a utility only if the limit is consistent with the purpose of the bill's requirements regarding the orders, which the bill specifies is to maximize the development and deployment of distributed renewable energy generation technologies used at renewable facilities without unreasonable impacts on rates.

The bill also allows the PSC to exempt small and large retail electric utilities from certain of the above requirements. Under the bill, a small utility is one that had retail electric sales of less than 2,500,000 megawatt hours in 2008, and a large utility is one that had retail electric sales of 2,500,000 megawatt hours or more in 2008. For a small or large utility, the PSC may exempt the utility from the requirement to purchase renewable energy from particular types of renewable facilities. For a large utility, the PSC may exempt the utility from all of the above requirements. However, a large utility is not eligible for either of the foregoing exemptions unless the PSC finds that the utility's voluntary initiatives are consistent with the purpose of the bill's requirements regarding the orders, as described above.

The bill also does the following:

- 1) Requires the PSC to periodically review its orders and, as appropriate, revise the standardized agreements prescribed in the orders.

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2) Specifies that a utility that purchases renewable energy as directed in an order acquires the renewable resource credits associated with the generation of the renewable energy, unless otherwise specified by the parties.

3) Allows a utility and owner or operator of a renewable facility to agree to renewable energy purchases on terms and conditions that differ from those specified in an order.

4) Provides that a limit on the PSC's authority under current law regarding renewable resource requirements applies to any electric public utility, rather than to an investor-owned electric public utility as under current law.

**NUCLEAR POWER PLANTS**

Under current law, a person may not begin construction of an electric generating facility with a nominal operating capacity of 100 MW or more unless the PSC grants a certificate of public convenience and necessity (CPCN) for the proposed facility. In addition, a public utility may not engage in certain projects regarding its plant, such as extending or improving existing facilities, unless the PSC grants a certificate of authority (CA) for the proposed project. Additional requirements apply to a nuclear power plant with a nominal operating capacity of 100 MW or more. Current law prohibits the PSC from granting a CPCN for the proposed construction of such a plant, or a CA for a proposed project regarding such a plant, unless the PSC makes two findings which are in addition to the CPCN or CA requirements that otherwise apply. First, the PSC must find that a facility inside or outside the United States is available for adequate disposal of all high-level nuclear waste from all nuclear power plants operating in this state, including the proposed plant. Second, the PSC must find that the proposed plant, in comparison with feasible alternatives, is economically advantageous to ratepayers. The second finding must be based on the following factors: 1) the existence of a reliable and adequate nuclear fuel supply; 2) the costs for constructing, operating, and decommissioning nuclear power plants and for disposing of nuclear waste; and 3) any other factor having an impact on the economics of nuclear power plants, as determined by the PSC.

The bill makes changes to the foregoing findings. However, the changes are delayed until the first date on which all rules and orders of the PSC are in effect that are necessary to initially implement the changes made by the bill to energy efficiency and renewable resource programs and the RPS. The PSC must publish a notice identifying that date in the Wisconsin Register. This analysis refers to that date as the "register date."

For CPCNs and CAs for nuclear power plants that are granted on or after the register date, the bill eliminates the first finding required under current law regarding waste disposal. Instead, the bill prohibits the the PSC from granting a CPCN or CA on or after the register date for a proposed nuclear power plant unless the PSC finds the following: 1) the plan for managing the nuclear waste from the nuclear power plant is economic, reasonable, stringent, and in the public interest; 2) the nuclear power plant will provide electricity to ratepayers or members of electric cooperatives in this state at a reasonable cost based on specified criteria; and 3) the entire output of electricity produced by the nuclear power plant will be needed and used to meet the state's expected requirements for electricity. As for the second



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finding required under current law, which is that the nuclear power plant must be economically advantageous to ratepayers, the bill requires the PSC to consider the benefits to the state and the environment resulting from reductions of air pollutant emissions from the nuclear power plant, in addition to considering the factors required under current law. However, the additional factor must be considered only for a CPCN or CA granted on or after the register date. Also, for a CPCN or CA granted on or after the register date, the finding is limited to the economic advantages for ratepayers or cooperative members in this state.

The bill also provides that, after the register date, a CPCN is required for the proposed construction of a nuclear power plant of any nominal operating capacity. As noted above, current law requires a CPCN only if the nominal operating capacity is 100 MW or more. In addition, after the register date, the bill requires a CA for a project involving a nuclear power plant owned or operated by an entity that is not a public utility. Under current law, the CA requirements apply only to public utilities. The bill also allows the PSC to attach terms and conditions in the public interest to CPCNs and CAs granted on or after the register date for nuclear power plants. The bill specifies that such terms and conditions apply to any successor in interest to the entity that is granted the CPCN or CA.

As noted above, the bill requires the PSC to find that the entire output of the electricity produced by a proposed nuclear power plant will be needed and used to meet the state's expected requirements. The bill includes a nonseverability clause that provides that if a court finds that the foregoing requirement is unconstitutional, then all of the changes made by the bill regarding nuclear power plants are void.

The bill makes other changes, including the following:

1. The bill makes legislative findings regarding the authority of the state to make the changes described above, as well as the necessity for the changes.

2. The bill allows the PSC to order the owner or operator of a nuclear power plant to provide financial assurance for decommissioning the plant and disposing of spent nuclear fuel. However, the PSC's authority applies only to a nuclear power plant for which the PSC grants a CPCN on or after the register date.

3. The bill requires the PSC to promulgate service standards for nuclear power plants owned or operated by nonutilities for which the PSC grants a CPCN after the register date. Under current law, the PSC's authority to promulgate such rules is limited to plants owned or operated by public utilities.

4. Current law allows the PSC to extend the deadline that applies to its consideration of applications for CPCNs. Beginning on the register date, the bill allows the PSC to make an additional extension for applications for CPCNs for nuclear power plants.

5. The bill provides that, after the register date, nuclear power plants that do not provide retail service are treated in the same manner as wholesale merchant plants under current law, except that, for CPCNs granted on or after the register date to such nuclear power plants, the PSC must consider certain alternatives that the PSC is not required to consider for wholesale merchant plants.

6. The bill makes certain requirements under current law that apply to public utilities also applicable to nonutility owners and operators of nuclear power plants

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for which CPCNs are granted on or after the register date. These requirements concern the following: 1) the PSC's authority to obtain information and related penalties; 2) forfeitures that apply to violations subject to the PSC's jurisdiction; and 3) PSC approval required for selling, acquiring, leasing, or renting plants, operating units, or systems.

**MOTOR VEHICLE EMISSION STANDARDS**

Under the federal Clean Air Act (the act), the federal Environmental Protection Agency (EPA) sets limits on pollutants that may be emitted by motor vehicles. The act generally prohibits states from enacting motor vehicle emission limitations that differ from the federal limitations, but the act allows California to enact limitations that differ from the federal limitations under certain circumstances. To implement differing limitations, California must obtain a waiver from the EPA administrator. The act allows other states to enact motor vehicle emission limitations that are identical to limitations for which California has obtained a federal waiver.

California has enacted emission limitations that are stricter than EPA's emission limitations for motor vehicles, including greenhouse gas emission limitations for passenger cars, light-duty trucks, and medium-duty passenger vehicles. The California greenhouse gas limitations basically specify requirements for the average amount of greenhouse gas emissions from vehicles produced by a manufacturer that are delivered for sale in the state. California has also enacted regulations that require certain motor vehicle manufacturers (based on the volume of vehicle sales in California) to deliver zero emission vehicles for sale in California. A zero emission vehicle is a vehicle that is certified by the California Air Resources Board to produce no emissions of certain air pollutants (for example, a battery-powered or fuel cell car).

This bill requires DNR to promulgate rules specifying emission limitations for passenger cars, light-duty trucks, and medium-duty passenger vehicles that are identical to the California emission limitations, including the greenhouse gas emission limitations, but not including the zero emission vehicle requirements.

The bill authorizes DNR to promulgate rules that are identical to the California zero emission vehicle requirements if DNR determines that those requirements would be an effective and efficient part of the strategy for this state to meet its greenhouse gas emission reduction goals. The bill also requires DNR to study any greenhouse gas emission reduction requirements applicable to other motor vehicles that California adopts after October 1, 2009, and to report the results of its study to the legislature.

**LOW CARBON FUEL STANDARD**

This bill requires DNR to promulgate a rule requiring the reduction in the carbon intensity of transportation fuels sold in this state, if specified conditions are met. This kind of requirement is referred to as a low carbon fuel standard. Carbon intensity is a measure of the amount of greenhouse gases emitted in producing, distributing, and using a fuel per unit of energy produced by the fuel. The bill requires DNR to promulgate the rule if an advisory group to the Midwestern Governors Association (MGA) makes recommendations on the design of a low carbon fuel standard and the recommendations are endorsed by the governors of a majority

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of the states whose governors endorsed the MGA Energy Security and Climate Stewardship Platform in 2007, including Wisconsin's governor. The DNR rule must be consistent with the advisory group's recommendations. The bill requires DNR to cooperate with other states in its activities related to the low carbon fuel standard, including in operating a regional system for trading credits that may be used to comply with the low carbon fuel standard.

**ASSISTANCE TO COMMUNITIES**

This bill modifies several programs that provide financial assistance to municipalities, and in some cases counties, to encourage activities that will result in a reduction of travel, energy use, or emissions of greenhouse gases or that are located in qualified areas. A qualified area is, generally, an area that is designated for traditional neighborhood development, is subject to the voluntary energy-saving building design standards that are established by Commerce under this bill, or is involved in the Green Tier Program, under which entities voluntarily undertake actions to improve the environment, if those actions are likely to result in significant reductions in emissions of greenhouse gases or energy use. A "traditional neighborhood" is a compact, mixed-use neighborhood where residential, commercial, and civic buildings are in close proximity to each other.

***Brownfields site assessment grants***

Under current law, DNR administers the Brownfields Site Assessment Program under which it provides grants to local governmental units for the purpose of investigating environmental contamination, removing abandoned containers, and conducting demolition at brownfields. "Brownfields" are industrial or commercial sites that are abandoned, idle, or underused because of actual or perceived environmental contamination. Current law requires the recipient of a grant under the program to provide matching funds of at least 20 percent of the amount of the grant.

This bill authorizes DNR, in awarding grants under the program, to give extra weight to projects that will result in a reduction of travel, energy use, or emissions of greenhouse gases or that are located in qualified areas. The bill also authorizes DNR to promulgate a rule that reduces the amount of matching funds that are required under the program for such a project to below 20 percent of the amount of the grant.

***Forward innovation fund***

Under current law, Commerce may award grants or loans from the Forward Innovation Fund (FIF) to certain eligible recipients, including municipalities, to undertake certain eligible activities, including innovative proposals to strengthen inner cities and rural areas. Recipients of a grant or loan under the FIF must provide a match of 25 percent of the grant or loan.

This bill requires Commerce to give additional consideration to an eligible activity proposed by an eligible recipient that is the governing body of a municipality if the eligible activity will result in a reduction in travel, energy use, or the emission of greenhouse gases, or if the eligible activity is located in a qualified area. Commerce is authorized to establish, by rule, a match of less than 25 percent for a municipality that receives a grant or loan if the grant or loan is awarded to that

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municipality for an eligible activity that will result in a reduction in travel, energy use, or the emission of greenhouse gases or that is located in a qualified area.

***State Main Street Program***

Also under current law, Commerce administers a State Main Street Program. Under the State Main Street Program, Commerce provides assistance to municipalities with the revitalization of business areas in the municipalities. Each year, Commerce selects up to five municipalities to participate in the program. This bill permits Commerce to give additional consideration to the application of a municipality that has proposed a project that is a “qualifying project.” A “qualifying project” is defined by the bill as a project that will result in a reduction in travel, energy use, or the emission of greenhouse gases or that is located in a qualified area.

***Brownfields grant program***

Also under current law, Commerce awards grants to persons, including municipalities and counties, for brownfields redevelopment and associated environmental remediation. In determining whether to award a brownfields development grant to a person, Commerce may consider specified criteria, including the potential of the project to promote economic development in the area and the level of financial commitment of the applicant. Under current law, the recipient of a brownfields development grant must contribute matching funds towards the project of a percentage that varies depending upon the cost of the project, from not less than 20 percent to not less than 50 percent of the cost of the project.

This bill requires Commerce to give additional consideration to a “qualifying project.” A “qualifying project” is defined by the bill as a project proposed by a city, town, village, or county that will result in a reduction in travel, energy use, or the emission of greenhouse gases or that is located in a qualified area. Commerce is authorized to establish, by rule, a match of less than the usual percentage of the cost of a project if the recipient of the grant is a city, village, town, or county and the project is a qualifying project.

***Transportation facilities economic assistance and development program***

Under current law, the Department of Transportation (DOT) administers a transportation facilities economic assistance and development program (TFEAD program) under which DOT provides assistance for construction or reconstruction of highways, airports, harbors, and railways (improvements). Before DOT can provide assistance for an improvement, DOT must approve the improvement. This approval may be made only if the improvement is a component of an economic development project that increases the number of jobs in this state and only after DOT has made determinations relating to 13 specifically identified factors, including whether the improvement is a justified transportation need; the ratio of the cost of the improvement to the increase in jobs; whether the improvement is compatible with other projects; and whether the improvement will contribute to economic growth. In awarding a grant under the TFEAD program, DOT must establish its maximum financial participation in the improvement, which generally is the lesser of 50 percent of the cost of the improvement or \$5,000 for each job resulting from the improvement or economic development project.

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This bill adds a 14th factor that DOT must determine in approving an improvement under its TFEAD program and allows DOT to give extra weight to this factor. This 14th factor is whether the improvement will result in a reduction of travel, energy use, or emissions of greenhouse gases or is located in a qualified area. For such an improvement, the bill authorizes DOT, with limitations, to promulgate a rule allowing DOT to establish a higher level of financial participation and to use different standards for determining job creation or retention, as compared to other improvements under the TFEAD program.

***Planning grants to local governments***

Under current law, the Department of Administration (DOA) provides grants to municipalities, counties, and regional planning commissions for financing the cost of planning activities or purchasing computerized planning products or services. In awarding grants, DOA must give preference to applications of these local governments that contain six specified elements, which are planning efforts that address the interests of overlapping or neighboring jurisdictions; contain a description of the means by which 14 specified local, comprehensive planning goals will be achieved; identify smart growth areas; include development of implementing ordinances, such as zoning and land division ordinances; are projected to be completed within 30 months of the grant award; and provide opportunities for public participation throughout the planning process.

This bill creates a seventh preference element for DOA to evaluate in awarding grants, which is the local government's planning efforts that include consideration of traditional neighborhood development. In addition, any local government awarded a grant by DOA for planning activities must consider, as part of the planning activities, whether an area considered for traditional neighborhood development is one of specified areas and whether making the area a traditional neighborhood development would result in a reduction of travel, energy use, or emissions of greenhouse gases.

**MODEL PARKING ORDINANCE**

This bill requires the University of Wisconsin-Extension (UW-Extension) to develop a model parking ordinance that includes market pricing methods for on-street parking and preferred parking opportunities for vehicles with relatively low emissions of greenhouse gases. The UW-Extension must appoint and convene an advisory committee and consult the advisory committee in developing the model ordinance. The UW-Extension must also evaluate current practices with respect to minimum parking space requirements for public buildings. Upon completing the model ordinance, the UW-Extension must make it publicly available and provide it to organizations representing local governments.

**SURFACE TRANSPORTATION PLANNING TO REDUCE GREENHOUSE GAS EMISSIONS**

Under current law, DOT may expend state and federal funds for transportation planning relating to highways, mass transit, railroads, and any other transportation mode. To the extent practicable, local governments, including regional planning commissions, must follow DOT's recommendations relating to transportation. DOT has various other responsibilities relating to studying and planning, and assisting local governments in planning, transportation systems in this state.

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This bill requires DOT, in consultation with DNR, to establish statewide goals for reducing greenhouse gas emissions from surface transportation that will contribute to achieving the state's overall statewide greenhouse gas emission reduction goals. DOT must, in consultation with DNR, DOA, the University of Wisconsin System, and Metropolitan Planning Organizations (MPOs), identify strategies for reducing greenhouse gas emissions from surface transportation and develop methods and procedures for preparing multimodal transportation plans and transportation improvement programs that incorporate these strategies. Beginning approximately two years after the effective date of the bill, DOT must, to the extent practicable, use these methods and procedures in preparing, and incorporate these strategies into, its long-range statewide transportation plans and statewide transportation improvement programs. By July 1, 2013, and at least every four years thereafter, DOT must assess its progress in achieving its greenhouse gas emission reduction goals and must report its findings to DNR.

The bill also requires each MPO in this state, in consultation with DOT and consistent with the goals established by DOT, to establish goals for reducing greenhouse gas emissions from surface transportation in the MPO's planning area. Beginning approximately two years after the effective date of the bill, each MPO must, to the extent practicable, use the methods and procedures developed by DOT in preparing, and incorporate the strategies developed by DOT into, its transportation plans and transportation improvement programs for its planning area. By March 1, 2013, and at least every four years thereafter, each MPO must report to DOT its strategies for reducing greenhouse gas emissions from surface transportation, the status of its implementation of these strategies, and its progress in achieving its greenhouse gas emission reduction goals. In addition, DOT must assess the progress of MPOs in achieving their greenhouse gas emission reduction goals and report its findings to DNR. DOT may not provide financial assistance to an MPO unless the MPO has made a good faith effort to use the methods and procedures developed by DOT in preparing, and incorporate the strategies developed by DOT into, its transportation plans and transportation improvement programs for its planning area.

**ENVIRONMENTAL EVALUATIONS FOR TRANSPORTATION PROJECTS**

This bill requires DOT, in preparing an environmental assessment or environmental impact statement for a transportation project, to include an evaluation of the greenhouse gas emissions and energy use that will result from the project (emission and energy evaluation). If DOT is also considering any alternative to the project, DOT must prepare an emission and energy evaluation for each alternative. In performing any cost-benefit analysis related to a project for which an emission and energy evaluation is required, DOT must consider the monetary value of the greenhouse gas emissions and energy use that will result from the project, calculated according to rules that DOT is required under the bill to promulgate. The bill specifies certain factors that must be considered in any emission and energy evaluation. The bill also requires DOT, in consultation with DNR, to appoint a technical advisory committee to make recommendations to DOT on: the factors to be considered, and the methodology to be used, in preparing

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emission and energy evaluations; and setting a monetary value for greenhouse gas emissions and energy use.

The bill also requires DOT, as part of its statewide long-range multimodal transportation plan for the 20-year period ending in 2030 (Connections 2030 plan), to consider greenhouse gas emissions and energy use in identifying, prioritizing, evaluating, or assessing transportation facility or service needs for the statewide transportation system. DOT must continue to include these considerations in any revision, modification, or update of the Connections 2030 plan and in any other statewide long-range multimodal transportation plan.

**ENGINE IDLING**

Under current law, a “motor truck” is defined as a motor vehicle designed, used, or maintained primarily for the transportation of property. “Truck tractors” and “road tractors” are motor vehicles designed and used for drawing other vehicles. Also under current law, traffic regulations generally apply only on highways.

This bill prohibits the operator of a motor truck, truck tractor, or road tractor (truck) from allowing the primary propulsion engine of the vehicle to idle for more than five minutes in any 60 minute period unless: 1) the truck is forced to remain motionless because of traffic conditions; 2) the outdoor temperature is below ten degrees, or above 90 degrees, Fahrenheit; 3) the medical needs of the operator or a passenger require the use of equipment that is powered from the truck’s primary propulsion engine; 4) it is necessary to power equipment needed for loading or unloading property; 5) it is necessary to regenerate an emission filtration device on the truck; 6) maintenance procedures, including repair, are being performed on the truck; or 7) the truck contains a heavy-duty highway diesel engine that complies with certain air pollutant emission standards. This idling prohibition applies on or off a highway. The operator of a truck who violates this prohibition may be required to forfeit not less than \$20 nor more than \$40 for the first offense, not less than \$100 nor more than \$500 for the second conviction within a year, and not less than \$500 nor more than \$1,000 for the third or subsequent conviction within a year.

The bill also requires DNR to study ways to reduce greenhouse gas emissions from the idling of other kinds of engines.

**ENERGY EFFICIENCY AND CONSERVATION IN BUILDINGS**

Current law requires Commerce to promulgate an energy efficiency code that sets design requirements for construction and equipment for the purpose of energy conservation in public buildings and places of employment (commercial buildings). Commerce must review the energy conservation code according to a specific schedule and must promulgate rules that change the requirements of the code to improve energy conservation. In conducting its review, Commerce must consider incorporating into the energy conservation code the design requirements from the most current national energy efficiency design standards, including the International Energy Conservation Code (IECC) or another energy efficiency code that is generally accepted and used by engineers and the construction industry.

This bill requires Commerce to base the energy conservation code for commercial buildings on the standards in the IECC or in another generally accepted code that provides at least as great an energy conservation benefit as the IECC

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provides. Commerce may deviate from the IECC or other generally accepted code by setting less strict standards if specific conditions exist in this state that make application of the IECC or other generally accepted code unreasonably burdensome. In that case, the different standards must provide the greatest energy conservation benefits that are consistent with the specific conditions. Commerce may also promulgate rules that have stricter standards than those in the IECC or another generally accepted energy conservation code if Commerce considers certain factors, including the cost of complying with the stricter standards.

Current law also requires Commerce, in promulgating rules that establish standards for the construction of one- and two-family dwellings, to take energy conservation into account. This bill requires Commerce to promulgate an energy efficiency code by rule for one- and two-family dwellings. The bill requires Commerce to base the code upon the IECC or another generally accepted energy conservation code using the same criteria that Commerce must use in promulgating an energy efficiency code for commercial buildings.

The bill also requires Commerce to promulgate rules establishing energy conservation standards for agricultural facilities. The bill requires that the rules define an “agricultural facility” to include a barn and a milking parlor. The bill also requires Commerce to consult with the Department of Agriculture, Trade and Consumer Protection (DATCP) before promulgating the rules.

The bill, in addition to requiring Commerce to promulgate rules establishing mandatory energy conservation standards for commercial buildings, requires Commerce to promulgate rules establishing voluntary design standards for the purpose of further reducing the environmental impact of constructing, maintaining, and using public buildings and places of employment. The bill requires Commerce to base the voluntary design standards on standards jointly established by specified organizations or on other generally accepted standards and requires that the standards provide greater energy conservation benefits than those contained in the energy conservation code for commercial buildings.

**CONSUMER ELECTRONICS EFFICIENCY REQUIREMENTS**

This bill prohibits the sale, or offer for sale, of certain consumer electronic devices if the devices use more than a specified amount of electricity in “standby mode” (connected to a power source and not producing video or audio output signals, but able to be switched into another mode with a remote control or an internal signal).

Under the bill, no person may sell a compact audio device that uses more than four watts in standby mode (or two watts, if the device has a permanently illuminated clock) or a television or digital versatile disc (DVD) player or recorder that uses more than three watts in standby mode. Violators are subject to a forfeiture up to \$100 for each device sold or offered for sale.

**BOILER INSPECTION REQUIREMENTS**

This bill also establishes inspection requirements for persons who own industrial boilers. The bill requires that most industrial boilers be inspected on an annual basis to assess the boiler’s energy efficiency. The owner of the boiler must take action based upon the results of the inspection to maximize the boiler’s energy



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efficiency and to minimize the emission of greenhouse gasses from the boiler. The bill exempts certain industrial boilers from these inspection requirements including industrial boilers used by public utilities and cooperative organizations that generate or furnish electric energy to their members.

**GREENHOUSE GAS EMISSIONS BY MAJOR STATE AGENCIES**

Currently, with certain exceptions, DOA must ensure that the specifications for each state construction project require the use of recovered and recycled materials to the extent that such use is technically and economically feasible. With certain exceptions, DOA must also prescribe and enforce energy efficiency standards for energy consuming equipment that is installed in connection with state construction projects. The standards must meet or exceed specified statutory standards. The Building Commission must also apply these standards when entering into certain leases on behalf of the state. Current law also requires the commission to employ a design for cogeneration of steam and electricity in state-owned central steam generating facilities unless the commission determines that such a design is not cost-effective and technically feasible. Currently, the commission must also ensure that state-operated steam generating facilities are designed to allow the use of biomass fuels and refuse-derived fuels to the greatest extent cost-effective and technically feasible. In addition, under current law, the commission is prohibited from approving the construction or major remodeling of or addition to any state building or structure unless the building or structure makes maximum practical use of passive solar energy system design elements and, unless not technically or economically feasible, incorporates an active solar energy system or photovoltaic solar energy system or other renewable energy system.

This bill directs nine state agencies (the departments of administration, agriculture, trade and consumer protection, corrections, health services, natural resources, public instruction, transportation, and veterans affairs, and the Board of Regents of the University of Wisconsin System) to: 1) prepare an analysis that estimates the amount of greenhouse gas emissions that are attributable to activities of the agency in calendar years 2005 and 2010; 2) establish achievable goals for reduction of greenhouse gas emissions identified in its analysis that must include a reduction by January 1, 2020, to an annual amount that is 22 percent lower than the annual amount attributable to the agency in 2005; and 3) develop a plan for achieving the goals by means of specific actions to be taken and completed by January 1, 2020. The plan must address nine specified means of reducing greenhouse gas emissions. The bill requires each of these agencies to make a biennial report to DOA concerning its progress toward achieving or its success in maintaining adherence to its goals. The bill then directs DOA to prepare a biennial report summarizing the reports it receives from these agencies and submit the report to DNR.

The bill also directs DOA to prescribe guidelines and protocols for use by these agencies in estimating the amount of greenhouse gas emissions that are attributable to activities of the agency, establishing goals for reducing those emissions, and developing plans to achieve the goals. The bill also directs DOA to establish energy efficiency goals for these agencies designed to ensure that, by 2030, the overall

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energy use by all state agencies is reduced to a level that is 30 percent lower than the overall use by those agencies in 2005. The bill further directs DOA to establish goals for each of these agencies that are designed to ensure that overall use by all agencies of energy derived from biomass is at least equivalent to an amount that gradually increases from 10 percent in 2010 to 25 percent in 2025.

**DESIGN STANDARDS FOR STATE BUILDINGS**

This bill directs DOA to ensure that the plans and specifications for 1) each project to construct or expand a state building; 2) each project to repair, renew, or renovate an existing state building that affects at least 35,000 square feet of enclosed space; and 3) each project that affects the envelope or the heating, ventilation, or air conditioning system of an existing state building conform to the voluntary standards promulgated by Commerce under the bill unless DOA or the Building Commission is required by another law to apply a stricter standard for the plans or specifications. The bill also directs DOA to ensure that the plans and specifications for each other project to construct a state building or to construct, repair, renew, renovate, or expand a state building conform to the voluntary standards promulgated by Commerce if DOA determines that compliance is technically feasible and cost effective. The requirement for other projects does not apply if DOA or the Building Commission is required under another law to apply a stricter standard for the plans and specifications.

**ENERGY EFFICIENCY ASSISTANCE BY OFFICE OF ENERGY INDEPENDENCE**

The bill directs the Office of Energy Independence (OEI) to provide information to school districts regarding opportunities to minimize expenses and environmental impacts through the modification of facilities and operational practices that maximize the efficiency of energy use, maximize the use of renewable energy resources, and otherwise minimize emissions of greenhouse gases. The bill also directs OEI to encourage and assist school districts in voluntarily conducting the analyses, establishing the goals and developing plans to achieve the goals required of the nine state agencies under the bill, and to report to DOA and DNR biennially on the progress made by school districts in so doing.

The bill directs DNR to provide assistance to the nine state agencies that must develop greenhouse gas emission reduction plans in identifying opportunities to reduce emissions through development of motor vehicle idling reduction techniques.

No specific penalty applies to violations, but all provisions of law resulting from enactment of the bill are enforceable through the court system.

**LEVY LIMIT EXCEPTION**

Under current law, local levy limits are applied to the property tax levies that are imposed in December 2009 and 2010. Current law prohibits any city, village, town, or county (political subdivision) from increasing its levy by a percentage that exceeds its “valuation factor,” which is defined as the greater of either 3 percent or the percentage change in the political subdivision’s equalized value due to new construction, less improvements removed. In addition, the calculation of a political subdivision’s levy does not include any tax increment that is generated by a tax incremental district.

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Current law contains a number of exceptions to the levy limit. These exceptions include amounts that may be levied for the following purposes or because of the following situations: political subdivisions that transfer the provision of services to another governmental unit; cities or villages that annex town territory; political subdivisions that levy to pay debt service on debt authorized on or after July 1, 2005; a levy for certain charges assessed by a joint fire department; a county levy that relates to a county children with disabilities education board, bridge and culvert repairs, payments to public libraries, and a countywide emergency medical system; and the amount a village levies to pay for police services, but only for the year after the year in which a town, which did not have a police force, changed to village status.

This bill creates another exception to the levy limit that would otherwise apply. Under the bill, the levy limit does not apply to any amount levied by a political subdivision to pay for energy efficiency measures and renewable energy products that reduce or avoid energy costs, and such amount may not be included in the calculation of the base amount of any year's levy. The bill also requires DOA to promulgate rules to facilitate the implementation of this provision.

**ENERGY CROP RESERVE PROGRAM**

This bill directs DATCP to establish and administer a program to subsidize the production of crops to be used for the production of fuel or energy. A person may participate in the program if the person owns or leases eligible land in this state and enters into a contract, with a term of up to ten years, with DATCP to grow and harvest eligible crops. Eligible crops include herbaceous perennials or short rotation woody crops. "Short rotation woody crop" is defined as a woody crop, including willows and poplars, grown using agronomic practices. "Eligible land" is defined in the bill as land that is used for or susceptible for use for growing eligible crops. The following lands are not eligible for enrollment in the program: land owned by a municipality; federally owned land; land enrolled in certain federal agricultural programs; and land in native sod on the effective date of the bill. DATCP must designate, by rule, crops ineligible for payments under the program. A contract entered into under the program may be renewed. Further, a person may enter into more than one contract with DATCP under the program.

A person participating in the program who grows eligible crops in compliance with sustainable planting and harvesting requirements, performance standards, and conservation practices established by DATCP, in consultation with DNR, may receive the following payments over the term of the contract: 1) a percentage of the cost to establish the energy crops; 2) income replacement payments related to income lost during the years the energy crops are not yet ready for harvest; and 3) production payments for each ton of energy crop harvested and used to produce energy or fuel.

DATCP must establish, by rule, the amount a person participating in the program may receive under the program in each payment category and over the term of the contract. The rules may vary the amount or percentage of each payment according to a number of variables, including the cost to produce the energy crop, the amount of energy or fuel produced from the energy crop, the agricultural or silvicultural practices employed by the participating person, and the extent to which the production and harvesting practices minimize life-cycle greenhouse gas

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emissions and maximize carbon sequestration. DATCP must annually report to DNR and DOA on the acres of land enrolled in the program, the number of tons and types of energy crops harvested under the program, and the costs of the program.

This bill also requires DATCP and DNR to study whether financial incentives provided to bioenergy feedstock producers by state and federal programs, in effect on the effective date of the bill, are adequate to prompt the sustainable production of a supply of biomass that will significantly contribute to the achievement of state greenhouse gas emission reduction goals. The bill requires DATCP and DNR to work with OEI, the University of Wisconsin System, the PSC, and representatives of interested parties, including natural resources organizations, in the preparation of the study.

If DATCP and DNR determine, as a result of the study, that current state and federal financial incentives are not adequate, DATCP and DNR must, by July 1, 2013, prepare and submit to the Climate Change Coordinating Council recommended changes to current law and proposed new legislation to induce bioenergy feedstock producers to sustainably increase their production of biomass in order to achieve state greenhouse gas emission reduction goals. DATCP and DNR must consider, as part of the recommendations, methods to reduce financial risk to bioenergy feedstock producers and the expansion of programs that award credits to producers who reduce greenhouse gas emissions or use renewable resources in place of fossil fuels.

**FORESTRY**

Under current law, DNR awards grants to certain eligible private forest land owners to develop and implement forest stewardship management plans and to award grants to groups of interested parties for projects to control invasive plants in weed management areas. Each grant recipient must provide a matching contribution in an amount determined by DNR for that particular grant based on criteria promulgated by DNR by rule.

This bill requires DNR to promulgate rules that describe those forest stewardship management plan practices that are eligible for funding under the grant program, including establishing and maintaining trees; implementing measures to protect those trees from damage caused by deer; and implementing measures that promote forest health, including insect and disease control. The bill also limits the matching contribution required to be made by a grant recipient who is awarded a grant to plant and maintain trees to not more than 25 percent of that portion of the grant that is for the costs incurred in planting and maintaining the trees, subject to the availability of funds.

The bill requires DNR to provide technical assistance to promote sustainable forest management that increases the long term storage of carbon (carbon sequestration) in forests owned by private persons and to assist them to generate marketable credits that can be used by purchasers to satisfy limits on emissions of greenhouse gases. The bill requires DNR to produce standards and practices for monitoring and measuring carbon sequestration by forests. The bill also requires DNR to attempt to identify owners of private forest land who do not participate in forestry programs, and to notify those owners about information and technical

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assistance available from DNR concerning carbon sequestration and sustainable forest management.

**AIR POLLUTION PERMITTING FOR SOURCES REDUCING GREENHOUSE GAS EMISSIONS**

Under current law, a person must generally obtain an air pollution construction permit from DNR before constructing or modifying a stationary source of air pollution. Permitting and other requirements vary depending on whether a stationary source is considered a major source or a minor source. The determination of whether a source is a major source is based on provisions of the federal Clean Air Act. Currently, EPA delegates to DNR the authority to administer the federal Clean Air Act in this state.

Current law requires DNR to assess air pollution permit obligations for stationary sources and to implement measures, consistent with state and federal law, to lessen those obligations, such as by expanding the availability of simplified permitting processes.

This bill requires DNR to implement measures to lessen air pollution permit obligations for the construction or modification of a stationary source for which a major source construction permit is not required if the construction or modification would significantly reduce emissions of greenhouse gasses.

**INDUSTRIAL DEVELOPMENT BONDS**

Under federal law, income earned on certain revenue bonds issued by a state or municipality may be exempt from federal income taxes. Federal law imposes a limit, or volume cap, on the total aggregate dollar amount of certain tax-exempt revenue bonds that may be issued by eligible entities in a state in any calendar year. Under current law, Commerce has established by rule and administers a system for the allocation of federal income tax-exempt revenue bonding authority among municipalities, the Wisconsin Housing and Economic Development Authority, the Wisconsin Health and Educational Facilities Authority, and the Wisconsin Aerospace Authority.

Current law authorizes municipalities to issue industrial development revenue bonds for a variety of purposes, including to finance the costs of manufacturing facilities, hospitals, industrial parks, recreational facilities, convention centers and trade centers, pollution control facilities, and sewage and solid and liquid waste disposal facilities systems. If Commerce allocates a portion of the volume cap to a project and industrial development revenue bonds are issued in accordance with state and federal law, the industrial development revenue bonds are exempt from federal income tax.

This bill requires Commerce to, by rule, annually dedicate 25 percent of that portion of the volume cap allocated to municipalities to private revenue bonds issued to finance clean energy manufacturing facilities and renewable power generating facilities. Clean energy manufacturing facilities are defined by the bill to include facilities that manufacture energy efficient fixtures or building components, equipment used to produce energy from a renewable resource, and certain advanced drive train vehicles. A renewable power generating facility is defined to mean a facility owned by a person other than a utility or an electric cooperative with equipment to generate its own electricity or energy from a renewable resource. The

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bill defines a renewable resource as a resource that derives energy from any source other than coal, petroleum products, nuclear power or, with limited exceptions, natural gas. Under the bill, renewable resources include resources deriving power from solar energy, wind energy, geothermal technology, and fuel cell technology.

Commerce may, beginning on September 1 of any year, reallocate any portion of the 25 percent allocated to clean energy manufacturing facilities and renewable power generating facilities for which no revenue bonds have been issued and for which no resolutions authorizing the issuance of a revenue bond have been adopted.

**REPORT ON CAP AND TRADE PROGRAM**

This bill requires DNR to report to the legislature and the governor if the federal government establishes, or governors of this state and other midwestern states recommend, a greenhouse gas cap and trade program, which is a program that imposes limits on greenhouse gas emissions and provides for the trading of allowances that may be used to satisfy those limits.

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

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

1           **SECTION 1.** 15.347 (3) of the statutes is created to read:

2           15.347 (3) CLIMATE CHANGE COORDINATING COUNCIL. (a) *Creation; membership.*

3           There is created in the department of natural resources a climate change  
4           coordinating council consisting of the following members:

5           1. The secretary of administration or his or her designee.

6           2. The secretary of natural resources or his or her designee.

7           3. The secretary of commerce or his or her designee.

8           4. The secretary of agriculture, trade and consumer protection or his or her  
9           designee.

10          5. The secretary of health services or his or her designee.

11          6. The secretary of transportation or his or her designee.

12          7. The president of the University of Wisconsin System or his or her designee.

13          8. The chairperson of the public service commission or his or her designee.

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1           9. The executive director of the office of energy independence or his or her  
2           designee.

3           10. One person to represent the governor, appointed to a 4-year term.

4           (b) *Designees*. A person who is authorized under par. (a) to appoint a designee  
5           may only appoint a designee who is an employee or appointive officer of the person's  
6           agency.

7           **SECTION 2.** 16.75 (12) (a) 4. of the statutes is amended to read:

8           16.75 (12) (a) 4. "Renewable resource" has the meaning given in s. 196.378 (1)  
9           ~~(h) 1. or 2. and includes a resource, as defined in s. 196.378 (1) (j), that derives~~  
10          ~~electricity from hydroelectric power~~ 196.374 (1) (j).

11          **SECTION 3.** 16.856 of the statutes is created to read:

12          **16.856 Design standards for state buildings. (1)** In this section:

13          (a) "Major construction project" means a project to construct or expand a state  
14          building; a project to repair, renew, or renovate an existing state building that affects  
15          at least 35,000 square feet of enclosed space; or a project that affects the envelope or  
16          heating, ventilation, or air conditioning system of an existing state building.

17          (b) "Minor construction project" means a project to construct, repair, renew,  
18          renovate, or expand a state building that is not a major construction project.

19          (2) The department shall ensure that the plans and specifications for each  
20          major construction project conform to the design standards promulgated by the  
21          department of commerce under s. 101.027 (4) unless the department or the building  
22          commission is required by another law to apply a stricter standard for the plans or  
23          specifications.

24          (3) The department shall ensure that the plans and specifications for each  
25          minor construction project conform to the design standards promulgated by the

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1 department of commerce under s. 101.027 (4) if the department determines that  
2 compliance is technically feasible and cost effective. This subsection does not apply  
3 if the department or the building commission is required by another law to apply a  
4 stricter standard for the plans or specifications.

5 **SECTION 4.** 16.954 of the statutes is created to read:

6 **16.954 Greenhouse gas emission; energy use. (1)** In this section:

7 (a) “Agency” has the meaning given in s. 16.70 (1e).

8 (b) “Biomass” has the meaning given in s. 196.374 (1) (am).

9 (c) “Greenhouse gas” has the meaning given in s. 299.03 (1) (d).

10 **(2)** The department shall prescribe guidelines and protocols for use by agencies  
11 to which s. 299.045 applies in:

12 (a) Estimating the amount of greenhouse gas emissions that are attributable  
13 to activities of each of those agencies under s. 299.045 (2).

14 (b) Establishing achievable goals for the reduction in greenhouse gas emissions  
15 that are attributable to each of those agencies under s. 299.045 (3) (a).

16 (c) Developing plans to achieve the goals established under s. 299.045 (3) (a).

17 **(3)** The department shall assist agencies to which s. 299.045 applies in  
18 complying with s. 299.045 with regard to energy use in facilities used by the agencies.

19 **(4)** The department shall establish a schedule of energy efficiency goals for  
20 each agency to which s. 299.045 applies that are designed to ensure that, by 2030,  
21 the overall energy use by all agencies is reduced to a level that is 30 percent lower  
22 than the overall energy use by all agencies in 2005.

23 **(5)** The department shall establish goals for each agency to which s. 299.045  
24 applies that are designed to ensure that overall use by all agencies of energy derived



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1 from biomass sources is at least equivalent to the following percentages by the dates  
2 specified:

3 (a) Ten percent by 2010.

4 (b) Fifteen percent by 2015.

5 (c) Twenty percent by 2020.

6 (d) Twenty-five percent by 2025.

7 **(6)** No later than July 1 of each odd-numbered year, the department of  
8 administration shall prepare and submit to the department of natural resources a  
9 report that summarizes the reports received under s. 299.045 (5) in that year.

10 **SECTION 5.** 16.956 (1) (bk) and (bn) and (3) (f) to (i) of the statutes are created  
11 to read:

12 16.956 (1) (bk) "Biomass" has the meaning given in s. 196.374 (1) (am).

13 (bn) "Greenhouse gas" has the meaning given in s. 299.03 (1) (d).

14 **(3)** (f) Assist agencies to which s. 299.045 applies in complying with s. 299.045  
15 with regard to the use of transportation fuels by the agencies and their officers,  
16 employees, and agents.

17 (g) Provide information to school districts regarding opportunities to minimize  
18 expenses and environmental impacts through the modification of facilities and  
19 operational practices that maximize the efficiency of energy use, maximize the use  
20 of renewable energy resources, and otherwise minimize emissions of greenhouse  
21 gases.

22 (h) Encourage and assist school districts to voluntarily conduct the analyses  
23 described in s. 299.045 (2), establish achievable goals for the reduction of greenhouse  
24 gas emissions identified in their analyses as provided in s. 299.045 (3), and develop

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1 and implement a plan for achieving their goals by means of specific actions to be  
2 taken by specific dates.

3 (i) No later than July 1 of each odd-numbered year, report to the departments  
4 of administration and natural resources regarding the voluntary participation of  
5 school districts in the establishment of goals and the development and  
6 implementation of plans for achieving goals under par. (h), the accomplishments of  
7 school districts in implementing those plans, and the verifiable reductions of energy  
8 use, greenhouse gas emissions, and school district expenses attributable to  
9 implementation of those plans.

10 **SECTION 6.** 16.956 (3) (j) of the statutes is created to read:

11 16.956 (3) (j) Annually compile a report containing statistics on energy use and  
12 production in this state and make the report available on its Internet site.

13 **SECTION 7.** 16.965 (1) (a) of the statutes is renumbered 16.965 (1) (am).

14 **SECTION 8.** 16.965 (1) (ag) of the statutes is created to read:

15 16.965 (1) (ag) “Greenhouse gas” has the meaning given in s. 299.03 (1) (d).

16 **SECTION 9.** 16.965 (1) (c) of the statutes is created to read:

17 16.965 (1) (c) “Traditional neighborhood development” has the meaning given  
18 in s. 66.1027 (1) (c).

19 **SECTION 10.** 16.965 (2) of the statutes is amended to read:

20 16.965 (2) ~~From~~ Subject to sub. (5), from the appropriations under s. 20.505 (1)  
21 (cm) and (if), the department may provide grants to local governmental units to be  
22 used to finance the cost of planning activities, including contracting for planning  
23 consultant services, public planning sessions and other planning outreach and  
24 educational activities, or for the purchase of computerized planning data, planning  
25 software or the hardware required to utilize that data or software. The department

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1 shall require any local governmental unit that receives a grant under this section to  
2 finance a percentage of the cost of the product or service to be funded by the grant  
3 from the resources of the local governmental unit. The department shall determine  
4 the percentage of the cost to be funded by a local governmental unit based on the  
5 number of applications for grants and the availability of funding to finance grants  
6 for the fiscal year in which grants are to be provided. A local governmental unit that  
7 desires to receive a grant under this subsection shall file an application with the  
8 department. The application shall contain a complete statement of the expenditures  
9 proposed to be made for the purposes of the grant. No local governmental unit is  
10 eligible to receive a grant under this subsection unless the local governmental unit  
11 agrees to utilize the grant to finance planning for all of the purposes specified in s.  
12 66.1001 (2).

13 **SECTION 11.** 16.965 (4) (g) of the statutes is created to read:

14 16.965 (4) (g) Planning efforts that include consideration of traditional  
15 neighborhood development.

16 **SECTION 12.** 16.965 (5) of the statutes is created to read:

17 16.965 (5) The department shall require any local governmental unit that  
18 receives a grant under this section for planning activities to consider, as part of the  
19 planning activities, all of the following:

20 (a) Whether any area considered for traditional neighborhood development is  
21 any of the following:

22 1. Surrounded by or adjacent to existing development.

23 2. Within a sewer service territory in the sewer service area provisions of an  
24 areawide water quality management plan under s. 283.83 approved by the  
25 department of natural resources.

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1           3. An area consisting primarily of blighted properties.

2           4. An area that meets other criteria, specified by the department by rule,  
3 designed to ensure that the project reduces greenhouse gas emissions.

4           (b) With respect to the transportation element of the planning activities,  
5 whether making any area a traditional neighborhood development would result in  
6 a reduction of travel, energy use, or emissions of greenhouse gases.

7           **SECTION 13.** 20.115 (4) (d) of the statutes is created to read:

8           20.115 (4) (d) *Energy crop reserve program; payments.* The amounts in the  
9 schedule for payments under the energy crop reserve program under s. 93.47.

10          **SECTION 14.** 20.155 (3) (s) of the statutes is repealed.

11          **SECTION 15.** 25.96 of the statutes is amended to read:

12          **25.96 Utility public benefits fund.** There is established a separate  
13 nonlapsible trust fund designated as the utility public benefits fund, consisting of  
14 low-income assistance fees received under s. 16.957 (4) (a) and (5) (b) 2. ~~and all~~  
15 ~~moneys received under s. 196.374 (3) (b) 4.~~

16          **SECTION 16.** 26.38 (2m) (b) of the statutes is renumbered 26.38 (2m) (b) 1. and  
17 amended to read:

18          26.38 (2m) (b) 1. ~~Each~~ Except as provided under subd. 2., each recipient of a  
19 grant under this section shall provide a matching contribution in an amount to be  
20 determined by the department for that particular grant based on criteria  
21 promulgated by rule under sub. (3). The matching contribution may be in the form  
22 of money or in-kind goods or services or both.

23          **SECTION 17.** 26.38 (2m) (b) 2. of the statutes is created to read:

24          26.38 (2m) (b) 2. If a grant to implement a forest stewardship management  
25 plan includes a requirement that the recipient plant and maintain trees, the

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1 recipient shall provide a matching contribution of not more than 25 percent of that  
2 portion of the grant that is for the cost of planting and maintaining the trees, subject  
3 to the availability of funds.

4 **SECTION 18.** 26.38 (3) (d) of the statutes is created to read:

5 26.38 (3) (d) A description of the forest stewardship management plan  
6 practices that are eligible for funding under this section. Eligible practices shall  
7 include establishing and maintaining trees; implementing measures to protect those  
8 trees from damage caused by deer; and implementing measures that promote forest  
9 health, including insect and disease control.

10 **SECTION 19.** 26.42 of the statutes is created to read:

11 **26.42 Carbon sequestration in forests. (1) DEFINITIONS.** In this section:

12 (a) “Cap and trade program” has the meaning given in s. 299.04 (1) (a).

13 (am) “Carbon sequestration” has the meaning given in s. 299.03 (1) (bm).

14 (b) “Greenhouse gas” has the meaning given in s. 299.03 (1) (d).

15 (c) “Sustainable forestry” has the meaning given in s. 28.04 (1) (e).

16 **(2) STANDARDS AND PRACTICES.** (a) Subject to par. (b), the department, in  
17 cooperation with the department of agriculture, trade and consumer protection, the  
18 University of Wisconsin-Extension, and the council on forestry, shall specify  
19 standards and practices for monitoring and measuring carbon sequestration by  
20 forests, including standards and practices for voluntary carbon accounting on  
21 private forest lands. The department shall design the standards and practices to  
22 conform with regional or national systems for trading credits for greenhouse gas  
23 emissions.

24 (b) Paragraph (a) does not apply until a regional or national cap and trade  
25 program that applies to any person in this state is enacted or adopted.

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1           **(3) TECHNICAL ASSISTANCE.** The department, in cooperation with the  
2 department of agriculture, trade and consumer protection and the University of  
3 Wisconsin–Extension, shall provide technical assistance to promote the use of  
4 sustainable forestry practices that increase carbon sequestration by persons who  
5 own private forest lands and to assist them, through the use of those practices, to  
6 generate credits that may be used to satisfy limits on emissions of greenhouse gases  
7 and to sell the credits.

8           **(4) IDENTIFICATION AND NOTIFICATION OF OWNERS OF PRIVATE FOREST LANDS.** Using  
9 the land cover database developed under s. 299.03 (5) (b) 3., county land records,  
10 geographic information systems, and other methods, the department shall identify,  
11 to the extent practicable, persons who own private forest lands and who do not  
12 participate in forestry programs administered by the department. The department  
13 shall notify persons identified under this subsection about information and technical  
14 assistance that is available from the department concerning carbon sequestration  
15 and sustainable forest management.

16           **SECTION 20.** 36.605 of the statutes is created to read:

17           **36.605 Extension’s model parking ordinance.** (1) The extension, in  
18 consultation with the advisory committee appointed under sub. (3), shall develop a  
19 model market–pricing parking ordinance. The ordinance shall include market  
20 pricing methods for on–street parking and preferred parking opportunities for  
21 vehicles with relatively low emissions of greenhouse gases, as defined in s. 299.03 (1)  
22 (d). In developing this model ordinance, the extension shall evaluate current  
23 practices with respect to mandatory minimum parking space requirements for  
24 public buildings.

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1           **(2)** Upon completion of the model ordinance under sub. (1), the extension shall  
2           make the model ordinance publicly available to interested persons and shall provide  
3           the model ordinance to organizations representing local units of government in this  
4           state.

5           **(3)** The extension shall appoint and convene an advisory committee to provide  
6           guidance to the extension in the development of the model ordinance under sub. (1).  
7           The provisions of s. 15.04 (1) (c) shall apply to the members of the advisory committee  
8           as if the committee had been created and appointed by the board.

9           **SECTION 21.** 66.0309 (title) of the statutes is amended to read:

10           **66.0309 (title) ~~Creation, organization, powers and duties of regional~~**  
11           **Regional planning commissions; metropolitan planning organizations.**

12           **SECTION 22.** 66.0309 (17) of the statutes is created to read:

13           **66.0309 (17) METROPOLITAN PLANNING ORGANIZATIONS.** (a) In this subsection:

- 14           1. “Department” means the department of transportation.  
15           2. “Greenhouse gas” has the meaning given in s. 299.03 (1) (d).  
16           3. “Metropolitan planning organization” has the meaning given in 23 USC 134  
17           (b) (2).

18           4. “Planning area” has the meaning given for “metropolitan planning area” in  
19           23 USC 134 (b) (1), but includes only those portions of a metropolitan planning area  
20           within this state.

21           (b) Each metropolitan planning organization in this state, in consultation with  
22           the department, shall establish goals for reducing greenhouse gas emissions from  
23           surface transportation in its planning area that are consistent with the goals  
24           established by the department under s. 85.0215 (2). After establishing these goals,  
25           the metropolitan planning organization shall revise the goals whenever appropriate.

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1 (c) Beginning on the first day of the 24th month beginning after the effective  
2 date of this paragraph .... [LRB inserts date], each metropolitan planning  
3 organization in this state, to the extent practicable, shall do all of the following:

4 1. Use the methods and procedures developed by the department under s.  
5 85.0215 (3) (b) in preparing its transportation plans and transportation  
6 improvement programs for its planning area.

7 2. Incorporate the strategies developed by the department under s. 85.0215 (3)  
8 (a) into its transportation plans and transportation improvement programs for its  
9 planning area.

10 (d) By March 1, 2013, and at least every 4 years thereafter, each metropolitan  
11 planning organization in this state shall report to the department, in the form  
12 specified by the department, all of the following:

13 1. The strategies for reducing greenhouse gas emissions from surface  
14 transportation that it included in its most recent transportation plan and  
15 transportation improvement program.

16 2. The status of the implementation of the strategies specified in subd. 1.

17 3. Its progress in achieving its goals under par. (b).

18 **SECTION 23.** 66.0602 (2) of the statutes, as affected by 2009 Wisconsin Act 28,  
19 is amended to read:

20 66.0602 (2) LEVY LIMIT. Except as provided in subs. (3), (4), and (5), no political  
21 subdivision may increase its levy in any year by a percentage that exceeds the  
22 political subdivision's valuation factor. The base amount in any year, to which the  
23 limit under this section applies, shall be the maximum allowable levy for the  
24 immediately preceding year. In determining its levy in any year, a city, village, or  
25 town shall subtract any tax increment that is calculated under s. 59.57 (3) (a), 60.85



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1 (1) (L), or 66.1105 (2) (i). The base amount in any year, to which the limit under this  
2 section applies, may not include any amount to which sub. (3) (e) 8. or 9. applies.

3 **SECTION 24.** 66.0602 (3) (e) 9. of the statutes is created to read:

4 66.0602 (3) (e) 9. The amount that a political subdivision levies in that year to  
5 pay for energy efficiency measures and renewable energy products that result in the  
6 avoidance of, or reduction in, energy costs. The department of administration shall  
7 promulgate rules to facilitate the implementation of this subdivision by creating  
8 standards and definitions for terms including energy efficiency measures, renewable  
9 energy products, and energy costs.

10 **SECTION 25.** 76.28 (1) (gm) 3. of the statutes is created to read:

11 76.28 (1) (gm) 3. A nonutility nuclear power plant, as defined in s. 196.491 (1)  
12 (i), that has a total power production capacity of at least 50 megawatts. This  
13 subdivision takes effect on the date specified in the notice published under s. 196.493  
14 (3) (b).

15 **SECTION 26.** 77.54 (30) (a) 1m. of the statutes is amended to read:

16 77.54 (30) (a) 1m. Biomass, as defined in s. ~~196.378 (1) (ar)~~ 196.374 (1) (am),  
17 that is used for fuel sold for residential use.

18 **SECTION 27.** 79.005 (1b) of the statutes is amended to read:

19 79.005 (1b) "Alternative energy resource" means a renewable resource, as  
20 defined in s. ~~196.378 (1) (h)~~ 196.374 (1) (j); garbage, as defined in s. 289.01 (9); or  
21 nonvegetation-based industrial, commercial, or household waste.

22 **SECTION 28.** 79.005 (4) (d) of the statutes is amended to read:

23 79.005 (4) (d) Replacing steam generating equipment at a combustion-based  
24 renewable facility, as defined in s. 196.378 ~~(1) (1r)~~ (g), that is located in this state, to

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1 increase efficiency or capacity, if the facility remains a combustion-based renewable  
2 facility, as defined in s. 196.378 (1) ~~(1r)~~ (g), after replacing the equipment.

3 **SECTION 29.** 79.04 (6) (a) of the statutes is amended to read:

4 79.04 (6) (a) Annually, beginning in 2005, for production plants that begin  
5 operation after December 31, 2003, or begin operation as a repowered production  
6 plant after December 31, 2003, except as provided in sub. (4m), the department of  
7 administration, upon certification by the department of revenue, shall distribute  
8 payments from the public utility account, as determined under par. (b), to each  
9 municipality and county in which a production plant is located, if the production  
10 plant has a name-plate capacity of at least one megawatt and is used by a light, heat,  
11 or power company assessed under s. 76.28 (2) or 76.29 (2), except property described  
12 in s. 66.0813, unless the production plant is owned or operated by a local  
13 governmental unit located outside of the municipality; by a qualified wholesale  
14 electric company, as defined in s. 76.28 (1) (gm); by a wholesale merchant plant, as  
15 defined in s. 196.491 (1) (w); by an electric cooperative assessed under ss. 76.07 and  
16 76.48, respectively; ~~or~~ by a municipal electric company under s. 66.0825; or,  
17 beginning on the date specified in the notice published under s. 196.493 (3) (b), by  
18 a nonutility nuclear power plant, as defined in s. 196.491 (1) (i).

19 **SECTION 30.** 84.185 (1) (br) and (cr) of the statutes are created to read:

20 84.185 (1) (br) “Greenhouse gas” has the meaning given in s. 299.03 (1) (d).

21 (cr) “Traditional neighborhood development” has the meaning given in s.  
22 66.1027 (1) (c).

23 **SECTION 31.** 84.185 (2) (b) 15. of the statutes is created to read:

24 84.185 (2) (b) 15. Whether the improvement is a qualifying improvement under  
25 sub. (2m).

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1           **SECTION 32.** 84.185 (2) (d) of the statutes is created to read:

2           84.185 **(2)** (d) The secretary may give greater weight to the criterion under par.  
3 (b) 15. than to the other criteria under par. (b) in determining whether to approve an  
4 improvement.

5           **SECTION 33.** 84.185 (2m) of the statutes is created to read:

6           84.185 **(2m)** **QUALIFYING IMPROVEMENTS.** An improvement is a qualifying  
7 improvement for the purposes of subs. (2) (b) 15. and (4) (b) if the improvement will  
8 result in a reduction of travel, energy use, or emissions of greenhouse gases or if any  
9 of the following applies:

10           (a) The improvement is located in an area that is both designated for traditional  
11 neighborhood development in a comprehensive plan adopted under s. 66.1001 and  
12 to be developed as a traditional neighborhood development under an ordinance  
13 consistent with the model ordinance under s. 66.1027 (2) and any of the following  
14 applies:

- 15           1. The area is surrounded by or is adjacent to existing development.
- 16           2. The area is within a sewer service territory in the sewer service area  
17 provisions of an areawide water quality management plan under s. 283.83 approved  
18 by the department of natural resources.
- 19           3. The area consists primarily of blighted properties.
- 20           4. The area meets other criteria, specified by the department by rule, designed  
21 to ensure that the project reduces greenhouse gas emissions.

22           (b) The political subdivision in which the improvement is located has adopted  
23 the design standards under s. 101.027 (4) and the improvement is in an area that is  
24 subject to the design standards.

25           (c) All of the following apply:

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1           1. The improvement is located in an area that is subject to either a charter  
2 under s. 299.83 (7e) issued to an association of entities that includes the political  
3 subdivision in which the area is located or a participation contract under s. 299.83  
4 (6) entered into by the city, village, town, or county in which the area is located.

5           2. The department of natural resources determines, in consultation with the  
6 department of commerce, the department of administration, the public service  
7 commission, and the office of energy independence, that implementation of the  
8 charter is likely to result in significant reductions in emissions of greenhouse gases  
9 or in energy use by public or private entities within the political subdivision.

10           (d) The improvement is located in a political subdivision that participates in  
11 tier I under s. 299.83 (3), the area in which the improvement is located is affected by  
12 the participation in tier I, and the department of natural resources determines, in  
13 consultation with the department of commerce, the department of administration,  
14 the public service commission, and the office of energy independence, that the  
15 participation in tier I is likely to result in significant reductions in emissions of  
16 greenhouse gases or in energy use by public or private entities within the political  
17 subdivision.

18           **SECTION 34.** 84.185 (3) (a) (intro.) of the statutes is amended to read:

19           84.185 (3) (a) (intro.) When awarding a grant under this section, the  
20 department shall establish a grant ceiling. Except as provided in par. (b) 2., the grant  
21 ceiling shall not be amended after the secretary has approved an application for  
22 funding. Except as provided in par. (b) and sub. (4) (b), the grant ceiling shall be the  
23 lesser of the following:

24           **SECTION 35.** 84.185 (4) of the statutes is renumbered 84.185 (4) (a).

25           **SECTION 36.** 84.185 (4) (b) of the statutes is created to read:

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1           84.185 (4) (b) The rules promulgated under this subsection may provide for all  
2 of the following with respect to an improvement that is a qualifying improvement  
3 under sub. (2m) and that is the subject of an agreement under sub. (7m) between the  
4 department and a governing body:

5           1. A grant ceiling that is higher than the grant ceiling specified in sub. (3).

6           2. Different standards related to job creation or retention, or both, than those  
7 that would apply under sub. (2) (b) 3. and 4. to an improvement that is not a  
8 qualifying improvement.

9           **SECTION 37.** 85.021 of the statutes is created to read:

10           **85.021 Environmental evaluations for transportation projects. (1)** In  
11 this section:

12           (a) “Environmental assessment” means an analysis of a proposed action to  
13 determine whether the proposed action constitutes a major action significantly  
14 affecting the human environment under s. 1.11 (2) (c).

15           (b) “Environmental impact statement” means a detailed statement required  
16 under s. 1.11 (2) (c).

17           (c) “Greenhouse gas” has the meaning given in s. 299.03 (1) (d).

18           (d) “Transportation project” means any construction, reconstruction,  
19 rehabilitation, or other improvement of infrastructure related to any mode of  
20 transportation, funded in whole or in part from any appropriation to the department  
21 under s. 20.395 or 20.866 (2).

22           (e) “2030 plan” means the department’s statewide long-range multimodal  
23 transportation plan for the 20-year period ending in 2030.

24           **(2)** (a) Beginning with environmental assessments and environmental impact  
25 statements commenced on the first day of the 24th month beginning after the

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1 effective date of this paragraph .... [LRB inserts date], if the department prepares an  
2 environmental assessment or environmental impact statement for a transportation  
3 project, the environmental assessment or environmental impact statement shall  
4 include an evaluation of all of the following:

5 1. The greenhouse gas emissions and energy use that will result from the  
6 transportation project, over the life cycle of the project.

7 2. If any other transportation project that is an alternative to the  
8 transportation project under subd. 1. is being considered, the greenhouse gas  
9 emissions and energy use that will result from each alternative project, over the life  
10 cycle of the alternative project.

11 (b) Any evaluation required under par. (a) shall take into consideration all of  
12 the following relating to the project:

13 1. Transportation mode.

14 2. Project materials.

15 3. Project construction methods.

16 4. Maintenance requirements.

17 5. Transportation use derived from the project, including predicted vehicle  
18 miles traveled and predicted congestion, if applicable.

19 6. Other pertinent factors.

20 (c) In performing any cost-benefit analysis related to a transportation project  
21 for which an evaluation is required under par. (a), the department shall consider the  
22 monetary value of the greenhouse gas emissions and energy use that will result from  
23 the transportation project, calculated according to the rules promulgated under sub.

24 (4).

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1           **(3)** As part of the environmental evaluation in the department's 2030 plan, the  
2 department shall consider greenhouse gas emissions and energy use in identifying,  
3 prioritizing, evaluating, or assessing transportation facility or service needs for the  
4 statewide transportation system. In any revision, modification, or update of the 2030  
5 plan, and in any other statewide long-range multimodal transportation plan of the  
6 department, the department shall consider greenhouse gas emissions and energy  
7 use in identifying, prioritizing, evaluating, or assessing transportation facility or  
8 service needs for the statewide transportation system.

9           **(4)** The department shall promulgate rules for calculating the monetary value  
10 of the greenhouse gas emissions and energy use that will result from transportation  
11 projects, over the life cycle of the projects, to be used in performing cost-benefit  
12 analyses of transportation project options.

13           **SECTION 38.** 85.0215 of the statutes is created to read:

14           **85.0215 Surface transportation planning to achieve greenhouse gas**  
15 **emission reductions. (1) DEFINITIONS.** In this section:

16           (a) "Greenhouse gas" has the meaning given in s. 299.03 (1) (d).

17           (b) "Intelligent transportation system" has the meaning given in s. 84.001 (1r).

18           (c) "Metropolitan planning organization" has the meaning given in s. 66.0309  
19 (17) (a) 3.

20           **(2) GREENHOUSE GAS EMISSION REDUCTION GOALS.** The department of  
21 transportation, in consultation with the department of natural resources, shall  
22 establish statewide goals for reducing greenhouse gas emissions from surface  
23 transportation in this state that, if achieved, will contribute to the state achieving  
24 the statewide greenhouse gas emission reduction goals under s. 299.03 (2). After

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1 establishing these goals, the department of transportation shall revise the goals  
2 whenever appropriate.

3 **(3) DEVELOPMENT OF STRATEGIES AND PLANNING METHODS AND PROCEDURES.** The  
4 department of transportation, in consultation with the department of natural  
5 resources, the department of administration, appropriate units in the University of  
6 Wisconsin System as designated by the president of the University of Wisconsin  
7 System, and metropolitan planning organizations, shall do all of the following:

8 (a) Identify strategies for reducing greenhouse gas emissions from surface  
9 transportation, other than strategies for the reduction of greenhouse gases emitted  
10 by motor vehicles or railroad trains through emission limitations or reduced fuel  
11 consumption per mile traveled by motor vehicles or railroad trains or through  
12 improvements in the greenhouse gas performance of transportation fuels. In  
13 identifying these strategies, the department shall consider all of the following:

14 1. Efforts to increase public transportation ridership, including through  
15 service improvements, capacity expansions, and access enhancement.

16 2. Efforts to increase walking, bicycling, and other forms of nonmotorized  
17 transportation.

18 3. Implementation of zoning and other land use regulations and plans to  
19 support increases in population density, transit-oriented development or  
20 redevelopment, or mixed-use development.

21 4. Travel demand management programs, including carpool, vanpool, or other  
22 car-share projects; transportation pricing measures; parking policies; and programs  
23 to promote telecommuting, flexible work schedules, and satellite work centers.

24 5. Surface transportation system operation improvements, including  
25 intelligent transportation systems or other operational improvements to reduce



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1 long-term greenhouse gas emissions through reduced congestion and improved  
2 system management.

3 6. Intercity passenger rail improvements.

4 7. Intercity bus improvements.

5 8. Freight rail improvements.

6 9. Use of materials or equipment associated with the construction or  
7 maintenance of transportation projects that reduce greenhouse gas emissions.

8 10. Public facilities for supplying electricity to electric or plug-in  
9 hybrid-electric vehicles.

10 (b) Develop methods and procedures for preparing multimodal transportation  
11 plans and transportation improvement programs that incorporate the strategies  
12 under par. (a). Where applicable and to the extent practicable, this planning and  
13 program preparation shall be based on maximizing the accessibility to destinations  
14 provided by the affected transportation systems using all relevant travel modes,  
15 including walking and bicycling.

16 **(4) USE OF STRATEGIES AND PLANNING METHODS AND PROCEDURES.** Beginning on  
17 the first day of the 24th month beginning after the effective date of this subsection  
18 .... [LRB inserts date], the department, to the extent practicable, shall do all of the  
19 following:

20 (a) Use the methods and procedures developed under sub. (3) (b) in preparing  
21 its long-range statewide transportation plans and statewide transportation  
22 improvement programs.

23 (b) Incorporate the strategies developed under sub. (3) (a) into its long-range  
24 statewide transportation plans and statewide transportation improvement  
25 programs.

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1           **(5) REPORTS AND ASSESSMENTS.** By July 1, 2013, and at least every 4 years  
2 thereafter, the department shall assess its progress in achieving its goals under sub.  
3 (2), as well as the progress of metropolitan planning organizations in achieving their  
4 goals under s. 66.0309 (17) (b), and shall report its findings to the department of  
5 natural resources.

6           **(6) FINANCIAL ASSISTANCE TO METROPOLITAN PLANNING ORGANIZATIONS.** After the  
7 department has identified strategies for reducing greenhouse gas emissions from  
8 surface transportation as provided in sub. (3) (a) and developed methods and  
9 procedures for preparing multimodal transportation plans and transportation  
10 improvement programs as provided in sub. (3) (b), the department may not, from any  
11 appropriation to the department under s. 20.395 or 20.866 (2), provide financial  
12 assistance to a metropolitan planning organization unless the metropolitan  
13 planning organization has made a good faith effort to satisfy the requirements under  
14 s. 66.0309 (17) (c).

15           **(7) CONFORMANCE WITH FEDERAL LAW.** If a federal law enacted after the effective  
16 date of this subsection .... [LRB inserts date], conflicts with the requirements of this  
17 section or s. 66.0309 (17), the department shall, by rule, modify the conflicting  
18 requirements of this section or s. 66.0309 (17) to comply with the federal law.

19           **SECTION 39.** 93.47 of the statutes is created to read:

20           **93.47 Energy crop reserve program. (1) DEFINITIONS.** In this section:

21           (a) “Agronomic practices” means agricultural practices generally associated  
22 with row cropping, including row crop production, soil management, and cultivation.

23           (b) “Native sod” means land on which the plant cover is composed principally  
24 of native grasses, grass-like plants, forbs, or shrubs suitable for grazing and  
25 browsing, and that has never been tilled for the production of an annual crop.

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1 (c) "Short rotation woody crop" means a woody crop, including willows and  
2 poplars, grown using agronomic practices.

3 **(2) PROGRAM.** The department shall administer a program in which it pays  
4 persons to establish and produce any eligible perennial herbaceous crop or short  
5 rotation woody crop for the production of energy or fuel.

6 **(3) CONTRACT.** (a) The department may enter into a contract, for a period not  
7 to exceed 10 years, with a person who applies to participate in the program under this  
8 section if all of the following are satisfied:

- 9 1. The person is eligible under sub. (5).
- 10 2. The person's land is eligible for enrollment under sub. (6).
- 11 3. The person is producing or will produce an energy crop eligible under sub.  
12 (7).

13 (b) The department may renew a contract entered into under this section.

14 (c) A person who has entered into a contract with the department and enrolled  
15 eligible land in the program under this section may enter into additional contracts  
16 with the department to enroll additional eligible land in the program under this  
17 section.

18 (d) If applicable, a person who enters into a contract under this section shall  
19 comply with each of the following on all lands under the person's control:

- 20 1. Sustainable planting and harvesting requirements established by the  
21 department by rule for perennial herbaceous crops or for short rotation woody crops.
- 22 2. Notwithstanding s. 281.16 (3) (e), the performance standards, prohibitions,  
23 conservation practices, and technical standards under s. 281.16 (3) (a) to (c).

24 **(4) PAYMENTS; LIMITATIONS.** (a) Subject to the limitations under par. (b), from  
25 the appropriation under s. 20.115 (4) (d), the department may make any of the

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1 following payments to a person with whom the department has entered into a  
2 contract under sub. (3) if the person is eligible for the payment:

3 1. Cost-sharing payments equal to a percentage, specified by the department  
4 under sub. (8) (a) 3., of the cost to establish an energy crop on the land enrolled under  
5 the contract.

6 2. Income replacement payments of a percentage, specified by the department  
7 under sub. (8) (a) 4., of the average annual net income the person earned from the  
8 land enrolled under the contract in the 5 consecutive years before the land was  
9 enrolled in the program under this section. The person may receive an annual  
10 payment under this subsection until the person is eligible to receive or has received  
11 a production payment under subd. 3. for energy crops harvested on land enrolled  
12 under the contract, or for the number of years specified by the department under sub.  
13 (8) (a) 4. a., whichever is less. A payment under this subdivision may replace a  
14 portion of the payment, as specified by the department under sub. (8) (a) 4. b., the  
15 person had received under the conservation reserve program under 16 USC 3831 to  
16 3836.

17 3. Production payments, of an amount determined by the department under  
18 sub. (8) (a) 5., for each ton of energy crop harvested and used to produce energy or  
19 fuel or sold to a person that will use the crop to produce energy or fuel.

20 (b) 1. If the total amount of payments to be made under par. (a) in a fiscal year  
21 would exceed the amount available from the appropriation under s. 20.115 (4) (d), the  
22 department shall prorate the payments among all persons eligible to receive a  
23 payment under par. (a) in that fiscal year.

24 2. No person eligible to receive a payment under par. (a) may receive payments  
25 in excess of the amount established by the department under sub. (8) (a) 7.

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1           **(5) ELIGIBILITY.** A person is eligible to participate in the program under this  
2 section if any of the following applies:

3           (a) The person owns land eligible to be enrolled in the program.

4           (b) The person controls land eligible to be enrolled in the program under a lease  
5 that covers the contract period established under sub. (3).

6           **(6) ENROLLMENT.** (a) Except as provided in par. (b), a person eligible under sub.  
7 (5) may apply to enroll in the program under this section any land in this state that  
8 is used or suitable for growing the crops identified under sub. (7).

9           (b) The following land may not be enrolled in the program under this section:

10           1. Federally owned land, other than land in this state held in trust by the  
11 federal government for an American Indian or a federally recognized American  
12 Indian tribe or band.

13           2. Land owned by a municipality. In this subdivision, "municipality" has the  
14 meaning given in s. 66.0301 (1) (a).

15           3. Land that is in native sod on the effective date of this subdivision .... [LRB  
16 inserts date].

17           4. Land enrolled in the program under subch. I or subch. VI of ch. 77.

18           5. Land enrolled in any of the following:

19           a. The conservation reserve program under 16 USC 3831 to 3836.

20           b. The wetlands reserve program under 16 USC 3837 to 3837f.

21           c. The grassland reserve program under 16 USC 3838n to 3838q.

22           d. The biomass crop assistance program under 7 USC 8111.

23           **(7) ELIGIBLE ENERGY CROPS.** (a) Except as provided in par. (b), a person may  
24 receive payments under this section for the production of any perennial herbaceous  
25 crop or short rotation woody crop to be harvested and used to produce energy or fuel.

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1 (b) No payments may be received under this section for the growth of any of the  
2 following:

3 1. A crop that is produced and harvested for a purpose other than the  
4 production of energy or fuel, even if the residue of the crop may be used to produce  
5 energy or fuel.

6 2. Any plant identified by the department of natural resources under s. 23.22  
7 as invasive or having the potential to become invasive.

8 3. Any other crop specified by the department by rule.

9 **(8) RULE MAKING.** (a) The department shall promulgate the following by rule:

10 1. Rules to implement and administer the program under this section,  
11 including all of the following:

12 a. The application form and procedures for applying.

13 b. Procedures and criteria for the review and approval or rejection of an  
14 application.

15 c. Procedures and criteria for disbursing payments under the program,  
16 including prorating of payments under sub. (4) (b) 1.

17 d. Reporting required of persons who have entered into a contract with the  
18 department under sub. (3).

19 e. Conditions under which a person may reenroll land under this section.

20 2. Crops ineligible for payments, as described under sub. (7) (b).

21 3. The amount of, limits on, and procedures for calculating cost-sharing  
22 payments available to persons under sub. (4) (a) 1., including the manner in which  
23 the amounts of or limits on cost-sharing payments will vary with the energy crops  
24 being established and the costs required to establish that energy crop.

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1           4. The amount of, limits on, and procedures for calculating income replacement  
2 payments under sub. (4) (a) 2., including all of the following:

3           a. The maximum number of years a person may receive payments under sub.  
4 (4) (a) 2., which number shall depend upon the time required to establish the energy  
5 crop being established by the person.

6           b. Limits on the amount or percent of income from payments received under  
7 the federal conservation reserve program, 7 USC 3831 to 3836, that may be included  
8 in the calculation of income replacement under sub. (4) (a) 2. The rules promulgated  
9 under this subd. 4. b. shall be designed to provide an incentive for persons who  
10 remove their land from the federal conservation reserve program to enroll the land  
11 in the program under this section, but small enough that those persons will not  
12 choose to withdraw their land from the federal conservation reserve program solely  
13 for the purpose of receiving payments under sub. (4) (a) 2.

14           5. The amount of and limits on production payments made under sub. (4) (a)  
15 3., including the manner in which the amount of the payment available to a person  
16 under sub. (4) (a) 3. will vary depending upon the energy or fuel derived from the  
17 particular energy crop produced, the costs to produce the energy crop, and other  
18 factors consistent with the objectives of the program under this section.

19           6. Procedures and criteria for allocating funds available from the appropriation  
20 under s. 20.115 (4) (d) between cost-sharing payments, income replacement  
21 payments, and production payments.

22           7. Limits on the amount of payments that a person with whom the department  
23 has entered into a contract under sub. (3) may receive in any payment category under  
24 sub. (4) (a), in any contract year, and over the duration of the contract.

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1           8. Requirements for sustainable planting and harvesting practices, including  
2 practices to minimize consumptive water use and maximize water conservation,  
3 applicable to persons with whom the person has entered into a contract under sub.  
4 (3).

5           (b) To advance any of the following objectives, the department may promulgate  
6 rules to establish priorities for entering into contracts with persons and enrolling  
7 land in the program under this section, and for making payments to a person who  
8 has entered into a contract under sub. (3), based upon the attributes of the land, the  
9 agricultural practices of the person, or any other pertinent factors:

10           1. Maximizing carbon sequestration, as defined in s. 299.03 (1) (bm).

11           2. Minimizing life-cycle greenhouse gas emissions of the production,  
12 harvesting, processing, and distribution of the energy crop by minimizing any of the  
13 following:

14           a. The distance the energy crop must be transported between the point of  
15 production and the point of end use.

16           b. The use of fossil fuels to plant, cultivate, and harvest the energy crop.

17           c. The application of fertilizer and pesticide in connection with the production  
18 of the energy crop.

19           d. Other energy-consuming practices.

20           3. The preservation of farmland through a farmland preservation agreement  
21 or farmland preservation zoning.

22           4. Providing soil and water conservation or wildlife preservation benefits.

23           (c) The department of agriculture, trade and consumer protection shall consult  
24 with the department of natural resources in the preparation of any rules that affect  
25 the natural resources of this state.



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1           **(9) PROGRAM OUTCOMES AND REPORTS.** The department of agriculture, trade and  
2 consumer protection shall, no later than July 1 of each odd year, submit to the  
3 departments of administration and natural resources a report containing all of the  
4 following information about the program under this section:

5           (a) The number of acres of land enrolled in the program.

6           (b) The number of tons and the energy content of each energy crop harvested  
7 under the program.

8           (c) Costs of the program.

9           (d) The extent to which the program under this section complements and is  
10 coordinated with the biomass crop assistance program under 7 USC 8111.

11           (e) Any recommendations for legislation to improve the program under this  
12 section.

13           **SECTION 40.** 93.475 of the statutes is created to read:

14           **93.475 Bioenergy feedstock production incentive study.** **(1)** In this  
15 section:

16           (a) “Bioenergy feedstock” means biomass used to produce energy, including  
17 heat or electricity, or to produce a fuel, including transportation fuel.

18           (b) “Biomass” has the meaning given in s. 196.374 (1) (am).

19           (c) “Cap and trade program” has the meaning given in s. 299.04 (1) (a).

20           **(2)** (a) The department of agriculture, trade and consumer protection shall, in  
21 consultation with the department of natural resources, study whether current and  
22 projected markets for bioenergy feedstocks and state and federal programs in effect  
23 on the effective date of this paragraph .... [LRB inserts date], provide adequate  
24 financial incentives to prompt producers of bioenergy feedstocks to sustainably  
25 produce a supply of biomass that, as a result of the use of that biomass as bioenergy

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1 feedstocks, will significantly contribute to the achievement of the state greenhouse  
2 gas emission reduction goals established under s. 299.03 (2). The department of  
3 agriculture, trade and consumer protection and the department of natural resources  
4 shall prepare a report on the study.

5 (b) The department of agriculture, trade and consumer protection and the  
6 department of natural resources shall prepare the study required under this  
7 subsection in consultation with the office of energy independence in the department  
8 of administration, the public service commission, the University of Wisconsin  
9 System, the administrator of the statewide energy efficiency and renewable resource  
10 programs under s. 196.374 (2) (a) 1., representatives of natural resources and  
11 environmental organizations, and representatives of sectors of the economy in this  
12 state that are affected by the programs.

13 (3) (a) If, after conducting the study under sub. (2), the department of  
14 agriculture, trade and consumer protection and the department of natural resources  
15 determine that the financial incentives under state and federal law are inadequate  
16 to prompt producers of bioenergy feedstocks to sustainably produce a supply of  
17 biomass that will significantly contribute to the achievement of the state greenhouse  
18 gas emission reduction goals established under s. 299.03 (2), and that additional  
19 financial incentives are warranted, the department of agriculture, trade and  
20 consumer protection and the department of natural resources shall recommend  
21 changes to improve the effectiveness of financial incentives under existing state  
22 programs and propose new legislation offering additional financial incentives to  
23 prompt bioenergy feedstock producers to sustainably produce additional biomass in  
24 order to help achieve the state greenhouse gas emission reduction goals. The  
25 department of agriculture, trade and consumer protection and the department of

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1 natural resources shall consider all of the following when making the  
2 recommendations required under this paragraph:

3 1. Methods to reduce financial risks of bioenergy feedstock producers, such as  
4 loan guarantees and insurance.

5 2. Expansion of a cap and trade program or a voluntary greenhouse gas  
6 emission reduction offset program to create credits for producers of bioenergy  
7 feedstocks who reduce greenhouse gas emissions during the production of bioenergy  
8 feedstocks by adopting appropriate management practices.

9 3. Expansion of the renewable resource credits created under s. 196.378 (3) (a)  
10 1. to authorize the creation of credits from the production or generation of nonelectric  
11 energy, as defined in s. 196.378 (1r) (dm), that is produced or generated from biomass.

12 (b) No later than July 1, 2013, the department of agriculture, trade and  
13 consumer protection and the department of natural resources shall submit a report  
14 on the study required under sub. (2) together with any recommended changes to  
15 current law or recommended new legislation proposed under par. (a) to the climate  
16 change coordinating council.

17 **SECTION 41.** 100.215 of the statutes is created to read:

18 **100.215 Energy efficiency; consumer audio and video equipment. (1)**

19 DEFINITIONS. In this section:

20 (b) "Compact audio device" means an integrated audio system that is encased  
21 in a single housing; that includes an amplifier, radio tuner, and attached or separable  
22 speakers; and that can reproduce audio from magnetic tape, compact disc, digital  
23 versatile disc, or flash memory, except that "compact audio device" does not include  
24 any of the following:

25 1. A device that can only be powered by internal batteries.

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1           2. A device that has a powered external satellite antenna.

2           3. A device that can produce a video output signal.

3           (c) “Digital versatile disc” means a laser-encoded plastic medium capable of  
4 storing a large amount of digital audio, video, or computer data.

5           (d) “Digital versatile disc player” means a commercially available electronic  
6 device encased in a single housing that includes an integral power supply and whose  
7 primary purpose is the decoding of digitized audio and video signals on a digital  
8 versatile disc.

9           (e) “Digital versatile disc recorder” means a commercially available electronic  
10 device encased in a single housing that includes an integral power supply and for  
11 which the primary purpose is the production or recording of digitized audio and video  
12 signals on a digital versatile disc, except that “digital versatile disc recorder” does not  
13 include a device that has an electronic programming guide.

14           (f) “Digital video recorder” means a device that can record audio and video  
15 signals on a hard disk drive or other device that can store the signals digitally, except  
16 that “digital video recorder” does not include a device that has an electronic  
17 programming guide.

18           (g) “Electronic programming guide” means an application that provides an  
19 interactive on-screen menu of television listings and that downloads program  
20 information from the vertical blanking interval of a television signal.

21           (h) “Standby mode” means the condition in which a device is connected to a  
22 power source and does not produce video or audio output signals, but can be switched  
23 into another mode with a remote control unit or an internal signal.

24           (i) “Television” means a commercially available electronic device consisting of  
25 a monitor, with or without a tuner or receiver, encased in a single housing, which is

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1 designed to receive and display an analog or digital video signal received from a  
2 terrestrial, satellite, cable, or broadband source, except that “television” does not  
3 include any of the following:

4 1. A multifunction device that can perform functions performed by a video  
5 cassette recorder, digital versatile disc player or recorder, digital video recorder, or  
6 electronic programming guide or that has a point-of-deployment card slot.

7 2. A computer monitor.

8 (j) “Video cassette recorder” means a commercially available analog recording  
9 device that includes an integral power supply and that records audio and video  
10 signals onto a tape medium for subsequent viewing.

11 **(2) PROHIBITION; PENALTY.** (a) No person may sell or offer for sale at retail in this  
12 state any of the following:

13 1. A compact audio device without a permanently illuminated clock that uses  
14 more than 2 watts in standby mode.

15 2. A compact audio device with a permanently illuminated clock that uses more  
16 than 4 watts in standby mode.

17 3. A television that uses more than 3 watts in standby mode.

18 4. A digital versatile disc player or digital versatile disc recorder that uses more  
19 than 3 watts in standby mode.

20 (b) A person who violates this subsection is subject to a forfeiture of not more  
21 than \$100. Each device sold or offered for sale in violation of this subsection  
22 constitutes a separate violation.

23 **SECTION 42.** 101.02 (23) of the statutes is created to read:

24 101.02 **(23)** No later than July 1, 2013, and at least every 4 years thereafter,  
25 the department shall prepare and provide to the department of natural resources an

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1 assessment of progress toward meeting the new building energy use goal in s. 299.03  
2 (3).

3 **SECTION 43.** 101.027 (1) of the statutes is renumbered 101.027 (1m) and  
4 amended to read:

5 101.027 (1m) ~~In this section, “energy conservation code” means the~~ The  
6 department shall, by rule, promulgate an energy conservation code promulgated by  
7 the department that sets minimum design requirements standards for construction  
8 and equipment for the purpose of energy conservation in public buildings and places  
9 of employment. Except as provided in sub. (1r), the rules shall conform to the energy  
10 design standards contained in a generally accepted code.

11 **SECTION 44.** 101.027 (1g) of the statutes is created to read:

12 101.027 (1g) In this section, “generally accepted code” means the International  
13 Energy Conservation Code or an energy efficiency code that provides at least as great  
14 an energy conservation benefit as the energy design standards contained in the  
15 International Energy Conservation Code and that is generally accepted and used by  
16 architects, engineers, and the construction industry in the construction of public  
17 buildings and places of employment.

18 **SECTION 45.** 101.027 (1r) of the statutes is created to read:

19 101.027 (1r) (a) The department may set particular design standards that are  
20 less strict than those contained in the generally accepted code used by the  
21 department to promulgate the energy conservation code under sub. (1m) if all of the  
22 following apply:

23 1. Application of the generally accepted code is unreasonably burdensome  
24 because of specific conditions existing in this state.

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1           2. The less strict standards provide the greatest energy conservation benefits  
2 that are consistent with the specific conditions.

3           (b) The department may set particular design standards that are stricter than  
4 those contained in the generally accepted code used by the department to promulgate  
5 the energy conservation code under sub. (1m) if the department takes into account  
6 the cost of complying with the stricter standards in relationship to the benefits  
7 derived from complying with the stricter standards, including the reasonably  
8 foreseeable economic and environmental benefits to this state from any reduction in  
9 the use of fossil fuel and in emissions of greenhouse gasses.

10           **SECTION 46.** 101.027 (2) of the statutes is amended to read:

11           101.027 (2) The department shall review the energy conservation code  
12 promulgated under sub. (1m), and shall, subject to the requirements of sub. (1r),  
13 promulgate rules that change the requirements of the energy conservation code to  
14 improve energy conservation. ~~No rule may be promulgated that has not taken into~~  
15 ~~account the cost of the energy conservation code requirement, as changed by the rule,~~  
16 ~~in relationship to the benefits derived from that requirement, including the~~  
17 ~~reasonably foreseeable economic and environmental benefits to the state from any~~  
18 ~~reduction in the use of imported fossil fuel. The proposed rules changing the energy~~  
19 ~~conservation code shall be submitted to the legislature in the manner provided under~~  
20 ~~s. 227.19. In conducting a review under this subsection, the department shall~~  
21 ~~consider incorporating, into the energy conservation code, design requirements from~~  
22 ~~the most current national energy efficiency design standards, including the~~  
23 ~~International Energy Conservation Code or an energy efficiency code other than the~~  
24 ~~International Energy Conservation Code if that energy efficiency code is used to~~

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1 ~~prescribe design requirements for the purpose of conserving energy in buildings and~~  
2 ~~is generally accepted and used by engineers and the construction industry.~~

3 **SECTION 47.** 101.027 (3) (a) 1. of the statutes is amended to read:

4 101.027 (3) (a) 1. A revision of the ~~International Energy Conservation Code~~  
5 generally accepted code used by the department to promulgate the energy efficiency  
6 code under sub. (1m) is published.

7 **SECTION 48.** 101.027 (3) (b) 1. of the statutes is amended to read:

8 101.027 (3) (b) 1. If the department begins a review under sub. (2) because a  
9 revision of the ~~International Energy Conservation Code generally accepted code~~  
10 used by the department to promulgate the energy efficiency code under sub. (1m) is  
11 published, the department shall complete its review of the energy conservation code,  
12 ~~as defined in sub. (1),~~ and submit to the legislature proposed rules changing the  
13 energy conservation code, ~~as defined in sub. (1),~~ no later than 18 months after the  
14 date on which the revision of the ~~International Energy Conservation Code generally~~  
15 accepted code is published.

16 **SECTION 49.** 101.027 (4) of the statutes is created to read:

17 101.027 (4) The department shall promulgate rules that set voluntary design  
18 standards for the purpose of reducing the environmental impact of constructing,  
19 maintaining, and using public buildings and places of employment. The department  
20 shall base the design standards on standards jointly established by the American  
21 National Standards Institute, the American Society of Heating, Refrigerating and  
22 Air Conditioning Engineers, the U.S. Green Building Council, and the Illuminating  
23 Engineering Society of North America or on similar standards that are generally  
24 accepted and used by architects, engineers, and the construction industry in the  
25 construction of public buildings and places of employment if the similar standards



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1 provide benefits in reducing the environmental impact of constructing, maintaining,  
2 and using public buildings and places of employment that are at least as great as the  
3 benefits provided in the jointly established standards. The department shall  
4 promulgate rules under this subsection that set design standards that provide  
5 significantly greater energy conservation benefits than those provided by the design  
6 standards contained in the energy conservation code under sub. (1m).

7 **SECTION 50.** 101.028 of the statutes is created to read:

8 **101.028 Agricultural building code.** The department shall, by rule,  
9 promulgate an energy conservation code that sets minimum design standards for  
10 agricultural facilities. The department shall define, for purposes of that code,  
11 “agricultural facility,” which shall include a barn and a milking parlor. The  
12 department shall consult with the department of agriculture, trade and consumer  
13 protection before promulgating rules under this section.

14 **SECTION 51.** 101.173 of the statutes is created to read:

15 **101.173 Industrial boilers; energy efficiency. (1)** In this section:

16 (a) “Cooperative association” has the meaning given in s. 196.491 (1) (bm).

17 (b) “Industrial boiler” means a closed vessel in which water or other liquid is  
18 heated and that produces hot water or steam for an industrial process.

19 (c) “Public utility” has the meaning given in s. 196.01 (5).

20 (d) “Self-generator” means a person that uses equipment and facilities to  
21 generate electricity and that consumes, on each day that the equipment and facilities  
22 are in use, no less than 70 percent of the aggregate kilowatt hours output from the  
23 equipment and facilities in manufacturing processes at the site where the equipment  
24 and facilities are located.

25 (e) “Wholesale merchant plant” has the meaning given in s. 196.491 (1) (w).

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1           (2) (a) Except as provided in par. (b), a person who owns an industrial boiler  
2 shall cause the boiler to be inspected on an annual basis to assess the boiler's energy  
3 efficiency. The owner of the industrial boiler shall take such action based upon the  
4 results of each annual inspection as necessary to maximize the energy efficiency of,  
5 and to minimize the emission of greenhouse gasses from, the industrial boiler.

6           (b) The requirements under par. (a) do not apply with respect to any of the  
7 following:

8           1. An industrial boiler that is used by a cooperative association to generate  
9 electricity.

10           2. An industrial boiler that is used by a public utility to generate electricity.

11           3. An industrial boiler that is used by the operator of a wholesale merchant  
12 plant to generate electricity unless the wholesale merchant plant is a self-generator.

13           (3) The department may promulgate rules to implement and enforce the  
14 requirements under sub. (2).

15           **SECTION 52.** 101.62 of the statutes is amended to read:

16           **101.62 Dwelling code council; power.** The dwelling code council shall  
17 review the standards and rules for one- and 2-family dwelling construction and  
18 recommend a uniform dwelling code for adoption by the department which shall  
19 include rules providing for the conservation of energy in the construction and  
20 maintenance of dwellings, consistent with the requirements of s. 101.63 (1m), and  
21 for costs of specific code provisions to home buyers to be related to the benefits  
22 derived from such provisions. The council shall study the need for and availability  
23 of one-family and 2-family dwellings that are accessible to persons with disabilities,  
24 as defined in s. 106.50 (1m) (g), and shall make recommendations to the department  
25 for any changes to the uniform dwelling code that may be needed to ensure an

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1 adequate supply of one-family and 2-family dwellings. Upon its own initiative or  
2 at the request of the department, the council shall consider and make  
3 recommendations to the department pertaining to rules and any other matters  
4 related to this subchapter. The council shall recommend variances for different  
5 climate and soil conditions throughout the state.

6 **SECTION 53.** 101.63 (1) (intro.) of the statutes is amended to read:

7 101.63 (1) (intro.) Adopt rules which establish standards for the construction  
8 and inspection of one- and 2-family dwellings and components thereof. Where  
9 feasible, the standards used shall be those nationally recognized and shall apply to  
10 the dwelling and to its electrical, heating, ventilating, air conditioning and other  
11 systems, including plumbing, as defined in s. 145.01 (10). ~~No set of rules may be~~  
12 ~~adopted which has not taken into account the conservation of energy in construction~~  
13 ~~and maintenance of dwellings and the costs of specific code provisions to home buyers~~  
14 ~~in relationship to the benefits derived from the provisions.~~ Rules promulgated under  
15 this subsection do not apply to a bed and breakfast establishment, as defined under  
16 s. 254.61 (1), except that the rules apply to all of the following:

17 **SECTION 54.** 101.63 (1m) of the statutes is created to read:

18 101.63 (1m) (a) In this subsection, “generally accepted code” means the  
19 International Energy Conservation Code or an energy efficiency code that provides  
20 at least as great an energy conservation benefit as the energy design standards  
21 contained in the International Energy Conservation Code and that is generally  
22 accepted and used by architects, engineers, and the construction industry in the  
23 construction of one- and 2-family dwellings.

24 (b) The department shall, by rule, promulgate an energy conservation code that  
25 sets minimum design standards for construction and equipment for the purpose of

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1 energy conservation in one- and 2-family dwellings. Except as provided in pars. (c)  
2 and (d), the rules shall conform to the energy design standards contained in a  
3 generally accepted code.

4 (c) The department may set particular design standards that are less strict  
5 than those contained in the generally accepted code used by the department to  
6 promulgate the energy conservation code under par. (b) if all of the following apply:

7 1. Application of the generally accepted code is unreasonably burdensome  
8 because of specific conditions existing in this state.

9 2. The less strict standards provide the greatest energy conservation benefits  
10 that are consistent with the specific conditions.

11 (d) The department may set particular design standards that are stricter than  
12 those contained in the generally accepted code used by the department to promulgate  
13 the energy conservation code under par. (b) if the department takes into account the  
14 cost of complying with the stricter standards in relationship to the benefits derived  
15 from complying with the stricter standards, including the reasonably foreseeable  
16 economic and environmental benefits to this state from any reduction in the use of  
17 fossil fuel and in emissions of greenhouse gasses.

18 (e) The department shall review the energy conservation code promulgated  
19 under par. (b), and shall, subject to the requirements of pars. (c) and (d), promulgate  
20 rules that change the requirements of the energy conservation code to improve  
21 energy conservation.

22 (f) The department shall begin a review under par. (e) whenever one of the  
23 following occurs:

24 1. A revision of the generally accepted code used by the department to  
25 promulgate the energy conservation code under par. (b) is published.

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1           2. Three years have passed from the date on which the department last  
2 submitted to the legislature proposed rules changing the energy conservation code.

3           (g) The department shall complete a review under par. (e) as follows:

4           1. If the department begins a review under par. (e) because a revision of the  
5 generally accepted code used by the department to promulgate the energy  
6 conservation code under par. (b) is published, the department shall complete its  
7 review of the energy conservation code and submit to the legislature proposed rules  
8 changing the energy conservation code no later than 18 months after the date on  
9 which the revision of the generally accepted code is published.

10          2. If the department begins a review under par. (e) because 3 years have passed  
11 from the date on which the department last submitted to the legislature proposed  
12 rules changing the energy conservation code, the department shall complete its  
13 review of the energy conservation code and submit to the legislature proposed rules  
14 changing the energy conservation code no later than 9 months after the last day of  
15 the 3-year period.

16           **SECTION 55.** 101.80 (1j) of the statutes is amended to read:

17           101.80 (1j) "Electricity provider" means a public utility, an electric cooperative,  
18 ~~or a wholesale merchant plant operator, or, beginning on the date specified in the~~  
19 notice published under s. 196.493 (3) (b), a nonutility nuclear power plant operator.

20           **SECTION 56.** 101.80 (2m) of the statutes is created to read:

21           101.80 (2m) "Nonutility nuclear power plant operator" means the operator of  
22 a nonutility nuclear power plant, as defined in s. 196.491 (1) (i). This subsection  
23 takes effect on the date specified in the notice published under s. 196.493 (3) (b).

24           **SECTION 57.** 110.20 (1) (b) of the statutes is amended to read:

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1           110.20 (1) (b) “Nonexempt vehicle” means any motor vehicle as defined under  
2 s. 340.01 (35) which is owned by the United States or which is required to be  
3 registered in this state and ~~to which one or more emission limitations adopted under~~  
4 ~~s. 285.30 (2) applies~~ which is not exempt under sub. (14m).

5           **SECTION 58.** 110.20 (3) (a) of the statutes is amended to read:

6           110.20 (3) (a) The inspection and maintenance program shall be designed to  
7 determine compliance with the emission limitations promulgated under s. 285.30 (2)  
8 or with emission limitations under s. 285.305 (1) or (2), for motor vehicles subject to  
9 those emission limitations, and compliance with s. 285.30 (6).

10          **SECTION 59.** 196.025 (1) (ag) 1. of the statutes is renumbered 196.025 (1) (ag)  
11 1r.

12          **SECTION 60.** 196.025 (1) (ag) 1g. of the statutes is created to read:

13          196.025 (1) (ag) 1g. “Municipal utility” has the meaning given in s. 16.957 (1)  
14 (q).

15          **SECTION 61.** 196.025 (1) (b) 1. of the statutes is renumbered 196.025 (1) (b) 1.  
16 (intro.) and amended to read:

17          196.025 (1) (b) 1. (intro.) In a proceeding in which an ~~investor-owned~~ electric  
18 public utility is a party, the commission shall not order or otherwise impose energy  
19 conservation or efficiency requirements on the ~~investor-owned~~ electric public utility  
20 if the commission has fulfilled all of its duties under s. 196.374 and ~~the~~  
21 ~~investor-owned~~ any of the following is satisfied:

22          a. The electric public utility has satisfied the requirements of s. 196.374 for the  
23 year prior to commencement of the proceeding, as specified in s. 196.374 (8) (d).

24          **SECTION 62.** 196.025 (1) (b) 1. b. of the statutes is created to read:

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1           196.025 (1) (b) 1. b. If the electric public utility is a municipal utility, the  
2           commission determines under s. 196.374 (8) that the electric public utility has, on  
3           average over the 4 years preceding the commencement of the proceeding, met, in the  
4           aggregate, the goals established under s. 196.374 (3) (bn) 1. f. for the electric public  
5           utility or the commission determines that the electric public utility has made a good  
6           faith effort to meet the goals during such 4-year period.

7           **SECTION 63.** 196.025 (1) (b) 2. of the statutes is amended to read:

8           196.025 (1) (b) 2. In a proceeding in which a wholesale supplier that has  
9           accepted an assignment from a municipal utility or retail electric cooperative under  
10          s. 196.374 (7) (bg) is a party, the commission shall not order or otherwise impose  
11          energy conservation or efficiency requirements on the wholesale supplier or any  
12          municipal utility or retail electric cooperative that made the assignment if the  
13          commission has fulfilled all of its duties under s. 196.374 and the wholesale  
14          supplier's members are in the aggregate substantially in compliance with s. 196.374  
15          (7) commission determines under s. 196.374 (8) that the wholesale supplier or all  
16          municipal utilities or retail electric cooperatives from which the wholesale supplier  
17          has accepted assignment have, on average over the 4 years preceding the  
18          commencement of the proceeding, met, in the aggregate, the goals established under  
19          s. 196.374 (3) (bn) 1. f. for the municipal utilities or retail electric cooperatives or the  
20          commission determines that the wholesale supplier, municipal utilities, or retail  
21          electric cooperatives have made a good faith effort to meet the goals during such  
22          four-year period.

23          **SECTION 64.** 196.025 (1) (c) 1. of the statutes is amended to read:

24          196.025 (1) (c) 1. In a proceeding in which an investor-owned electric public  
25          utility is a party, the commission shall not order or otherwise impose any renewable

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1 resource requirements on the investor-owned electric public utility if the  
2 commission has fulfilled all of its duties under s. 196.378 and the commission has  
3 informed the utility under s. 196.378 (2) (c) 2. that, with respect to the most recent  
4 report submitted under s. 196.378 (2) (c) 1., the utility is in compliance with the  
5 requirements of s. 196.378 (2) (a) 2. This subdivision does not limit the authority of  
6 the commission to enforce a public utility's obligations under s. 196.374 or 196.379.

7 **SECTION 65.** 196.025 (1) (c) 2. of the statutes is amended to read:

8 196.025 (1) (c) 2. In a proceeding in which a wholesale supplier is a party, the  
9 commission shall not order or otherwise impose any renewable resource  
10 requirements on the wholesale supplier if the commission has fulfilled all of its  
11 duties under s. 196.378 and the wholesale supplier's members or customers are in  
12 the aggregate substantially in compliance with s. 196.378 (2).

13 **SECTION 66.** 196.025 (1) (c) 3. of the statutes is created to read:

14 196.025 (1) (c) 3. The commission shall give priority in the scheduling of its  
15 business to the consideration of applications for a certificate of authority under s.  
16 196.49, or a certificate of public convenience and necessity under s. 196.491 (3), for  
17 a proposed renewable facility, as defined in s. 196.378 (1r) (g).

18 **SECTION 67.** 196.025 (1) (e) of the statutes is created to read:

19 196.025 (1) (e) *Exercise of regulatory authority.* The commission shall exercise  
20 its regulatory authority to ensure that the maximum reductions in the use of and  
21 demand for electricity and natural gas are achieved through the implementation of  
22 cost-effective energy efficiency and conservation programs, utility demand response  
23 and load management programs, and tariffs designed to reduce energy use, while  
24 taking account of the costs and benefits for customers and the need to maintain a



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1 highly reliable system capable of delivering an adequate supply of electricity and  
2 natural gas at reasonable cost.

3 **SECTION 68.** 196.025 (2m) (c) of the statutes is amended to read:

4 196.025 (2m) (c) Paragraph (b) does not waive any duty of the commission or  
5 the department to comply with s. 1.11 or to take any other action required by law  
6 regarding a project, except that, in the consideration of alternative locations, sites,  
7 or routes for a project, the commission and the department are required to consider  
8 only the location, site, or route for the project identified in an application for a  
9 certificate under s. 196.49 and no more than one alternative location, site, or route;  
10 and, for a project identified in an application for a certificate under s. 196.491 (3),  
11 other than an application for a renewable facility, as defined in s. 196.378 (1r) (g), the  
12 commission and the department are required to consider only the location, site, or  
13 route for the project identified in the application and one alternative location, site,  
14 or route.

15 **SECTION 69.** 196.025 (7) of the statutes is created to read:

16 196.025 (7) ENERGY CONSERVATION ASSESSMENT. No later than July 1, 2013, and  
17 at least every 4 years thereafter, the commission shall prepare and provide to the  
18 department of natural resources an assessment of progress toward meeting the  
19 statewide energy conservation goals in s. 299.03 (3m).

20 **SECTION 70.** 196.25 (1) of the statutes is renumbered 196.25 (1r).

21 **SECTION 71.** 196.25 (1g) of the statutes is created to read:

22 196.25 (1g) In this section, "public utility" includes the owner or operator of a  
23 nuclear power plant, as defined in s. 196.491 (1) (j), for which the commission has  
24 issued a certificate of public convenience and necessity under s. 196.491 (3) on or  
25 after the date specified in the notice published under s. 196.493 (3) (b).

**SENATE BILL 450****SECTION 72**

1           **SECTION 72.** 196.374 (1) (am) of the statutes is created to read:

2           196.374 (1) (am) “Biomass” means plant material or residue, biological waste,  
3 or landfill gases. “Biomass” does not include garbage, as defined in s. 289.01 (9), or  
4 nonbiological industrial, nonbiological commercial, or nonbiological household  
5 waste.

6           **SECTION 73.** 196.374 (1) (b) of the statutes is amended to read:

7           196.374 (1) (b) “Commitment to community program” means an energy  
8 efficiency or load management program ~~by or on behalf for regulated fuel usage in~~  
9 the service territory of a municipal utility or retail electric cooperative or a renewable  
10 resource program involving customer applications of renewable resources that take  
11 place at the premises of the customers or members of a municipal utility or retail  
12 electric cooperative.

13           **SECTION 74.** 196.374 (1) (c) of the statutes is amended to read:

14           196.374 (1) (c) “Customer application of renewable resources” means the  
15 generation of energy from renewable resources that takes place on the premises of  
16 a customer or member of an energy utility ~~or, municipal utility, or a member of a retail~~  
17 electric cooperative.

18           **SECTION 75.** 196.374 (1) (d) of the statutes is amended to read:

19           196.374 (1) (d) “Energy efficiency program” means a program for reducing the  
20 usage or increasing the efficiency of the usage of energy ~~by a customer or member of~~  
21 ~~an energy utility, municipal utility, or retail electric cooperative~~ a target fuel.  
22 “Energy efficiency program” does not include load management.

23           **SECTION 76.** 196.374 (1) (dm) of the statutes is created to read:

24           196.374 (1) (dm) “Energy provider” means an energy utility, municipal utility,  
25 or retail electric cooperative.

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1           **SECTION 77.** 196.374 (1) (er) of the statutes is created to read:

2           196.374 (1) (er) “Large energy customer program” means a program under sub.  
3 (2) (c).

4           **SECTION 78.** 196.374 (1) (f) of the statutes is amended to read:

5           196.374 (1) (f) “Load management program” means a program to allow an  
6 energy utility, ~~municipal utility, provider or wholesale electric cooperative,~~ as  
7 defined in s. 16.957 (1) (v), ~~retail electric cooperative, or municipal electric company,~~  
8 ~~as defined in s. 66.0825 (3) (d),~~ supplier to control or manage daily or seasonal  
9 customer or member demand associated with equipment or devices used by  
10 customers or members.

11           **SECTION 79.** 196.374 (1) (hm) of the statutes is created to read:

12           196.374 (1) (hm) “Natural gas” does not include natural gas that is used to  
13 generate electricity.

14           **SECTION 80.** 196.374 (1) (i) of the statutes is repealed.

15           **SECTION 81.** 196.374 (1) (ig) of the statutes is created to read:

16           196.374 (1) (ig) “Prime supplier” means a person that imports an unregulated  
17 fuel into this state for sale to a wholesale or retail distributor, or to an end user, for  
18 use in this state.

19           **SECTION 82.** 196.374 (1) (ir) of the statutes is created to read:

20           196.374 (1) (ir) “Regulated fuel” means electricity or natural gas.

21           **SECTION 83.** 196.374 (1) (j) (intro.) of the statutes is amended to read:

22           196.374 (1) (j) (intro.) “Renewable resource” means a resource that derives  
23 energy from any source other than coal, petroleum products, nuclear power ~~or, except~~  
24 ~~as used in a fuel cell, natural gas, or nonbiological industrial, nonbiological~~

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1 commercial, or nonbiological household waste. “Renewable resource” includes  
2 resources deriving energy from any of the following:

3 **SECTION 84.** 196.374 (1) (j) 8. of the statutes is created to read:

4 196.374 (1) (j) 8. Any other resource designated by the commission by rule.

5 **SECTION 85.** 196.374 (1) (mb) of the statutes is created to read:

6 196.374 (1) (mb) “Statewide programs” means the statewide energy efficiency  
7 and renewable resource programs established under sub. (2) (a) 1.

8 **SECTION 86.** 196.374 (1) (me) of the statutes is created to read:

9 196.374 (1) (me) “Statewide programs contractor” means a person with whom  
10 energy utilities contract under sub. (2) (a) 1. to administer the statewide programs.

11 **SECTION 87.** 196.374 (1) (mh) of the statutes is created to read:

12 196.374 (1) (mh) “Supplemental utility program” means a program under sub.  
13 (2) (b) 2.

14 **SECTION 88.** 196.374 (1) (mL) of the statutes is created to read:

15 196.374 (1) (mL) “Target fuel” means a regulated or unregulated fuel.

16 **SECTION 89.** 196.374 (1) (mo) of the statutes is created to read:

17 196.374 (1) (mo) “Total sales” means, with respect to a target fuel, the total  
18 amount of the target fuel sold at retail in this state as measured in energy units.

19 **SECTION 90.** 196.374 (1) (mr) of the statutes is created to read:

20 196.374 (1) (mr) “Unregulated fuel” means liquified petroleum gas or heating  
21 oil.

22 **SECTION 91.** 196.374 (1) (mu) of the statutes is created to read:

23 196.374 (1) (mu) “Utility-administered program” means a program under sub.  
24 (2) (b) 1.

25 **SECTION 92.** 196.374 (1) (o) of the statutes is repealed.

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1           **SECTION 93.** 196.374 (2) (a) 1. of the statutes is amended to read:

2           196.374 (2) (a) 1. The energy utilities in this state shall collectively establish  
3 and fund statewide energy efficiency and renewable resource programs. The energy  
4 utilities shall collectively contract, on the basis of competitive bids, with one or more  
5 persons to develop and administer the statewide energy efficiency and renewable  
6 resource programs. ~~The utilities may not execute a~~ A contract under this subdivision  
7 may not be executed unless the commission has approved the contract. The  
8 commission shall require each energy utility to spend the amount required under  
9 sub. (3) (b) 2. moneys received by a statewide programs contractor under sub. (3) (bw)  
10 3. and 4. shall be used to fund the statewide energy efficiency and renewable resource  
11 programs.

12           **SECTION 94.** 196.374 (2) (a) 2. (intro.) of the statutes is amended to read:

13           196.374 (2) (a) 2. (intro.) The purpose of the statewide programs under this  
14 paragraph shall be to help achieve environmentally sound and adequate energy  
15 target fuel supplies at reasonable cost, consistent with the commission's  
16 responsibilities under s. 196.025 (1) (ar) and (e) and the energy utilities' obligations  
17 under this chapter. The statewide programs shall include, at a minimum, all of the  
18 following:

19           **SECTION 95.** 196.374 (2) (a) 2. a. of the statutes is amended to read:

20           196.374 (2) (a) 2. a. Components to address the energy target fuel needs of  
21 residential, commercial, agricultural, institutional, and industrial energy target fuel  
22 users and local units of government.

23           **SECTION 96.** 196.374 (2) (a) 2. b. of the statutes is amended to read:

24           196.374 (2) (a) 2. b. Components to reduce the energy target fuel costs incurred  
25 by local units of government and agricultural producers, by increasing the efficiency

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1 of ~~energy~~ target fuel use by local units of government and agricultural producers.  
2 The commission shall ensure that not less than 10 percent of the moneys ~~utilities are~~  
3 ~~required to spend under subd. 1. or sub. (3) (b) 2.~~ paid by energy utilities and prime  
4 suppliers under sub. (3) (bw) 3. and 4. is spent annually on programs under this  
5 subdivision except that, if the commission determines that the full amount cannot  
6 be spent on cost-effective programs for local units of government and agricultural  
7 producers, the commission shall ensure that any surplus funds be spent on programs  
8 to serve commercial, institutional, and industrial ~~customers~~ target fuel users. A local  
9 unit of government that receives assistance under this subd. 2. b. shall apply all costs  
10 savings realized from the assistance to reducing the property tax levy.

11 **SECTION 97.** 196.374 (2) (a) 2. d. of the statutes is amended to read:

12 196.374 (2) (a) 2. d. Initiatives for research and development regarding the  
13 environmental and economic impacts of ~~energy~~ target fuel use in this state.

14 **SECTION 98.** 196.374 (2) (a) 3. of the statutes is amended to read:

15 196.374 (2) (a) 3. The commission may not require an energy utility to  
16 administer or fund any energy efficiency or renewable resource program that is in  
17 addition to the statewide programs ~~required under subd. 1. and any ordered program~~  
18 ~~of the utility~~. This subdivision does not limit the authority of the commission to  
19 enforce an energy utility's obligations under s. 196.378 or 196.379.

20 **SECTION 99.** 196.374 (2) (b) (title) of the statutes is amended to read:

21 196.374 (2) (b) (title) *Utility-administered and supplemental utility programs.*

22 **SECTION 100.** 196.374 (2) (b) 1. of the statutes is amended to read:

23 196.374 (2) (b) 1. An energy utility may, with commission approval, administer  
24 or fund one or more energy efficiency programs for regulated fuels that is limited to,  
25 ~~as determined by the commission, large commercial, industrial, institutional, or~~

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1 agricultural customers in its service territory. An energy utility shall pay for a  
2 program under this subdivision ~~with~~ by withholding a portion of the amount it is  
3 required to pay to a statewide programs contractor under sub. (3) ~~(b) 2.~~ (bw) 3., as  
4 approved by the commission. The commission may not order an energy utility to  
5 administer or fund a program under this subdivision.

6 **SECTION 101.** 196.374 (2) (b) 2. of the statutes is amended to read:

7 196.374 (2) (b) 2. An energy utility may, with commission approval, administer  
8 or fund an energy efficiency or renewable resource program for regulated fuels that  
9 is limited to customers in its service territory and that is in addition to the statewide  
10 programs required under par. (a) or utility-administered programs authorized  
11 ~~under subd. 1.~~ The commission may not order an energy utility to administer or fund  
12 a program under this subdivision.

13 **SECTION 102.** 196.374 (2) (b) 3. of the statutes is amended to read:

14 196.374 (2) (b) 3. An energy utility ~~that administers or funds a program under~~  
15 ~~subd. 1. or 2. or an ordered program may request~~ at any time to establish, modify, or  
16 discontinue a utility-administered or supplemental utility program, and the  
17 commission may approve, ~~to~~ modify, or discontinue, in whole or in part, the ordered  
18 program. ~~An energy utility may request the establishment, modification, or~~  
19 ~~discontinuation of a program under subd. 1. or 2. at any time and shall request the~~  
20 ~~modification or discontinuation of an ordered program as part of a proceeding under~~  
21 ~~sub. (3) (b) 1.~~

22 **SECTION 103.** 196.374 (2) (c) of the statutes is amended to read:

23 196.374 (2) (c) *Large energy customer programs.* A customer of an energy  
24 utility may, with commission approval, administer and fund its own energy efficiency  
25 programs or renewable resource programs if the customer satisfies the definition of

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1 a large energy customer for any month in the 12 months preceding the date of the  
2 customer's request for approval. A customer may request commission approval at  
3 any time. A customer that funds a program under this paragraph may deduct the  
4 amount of the funding from the amount the energy utility may collect from the  
5 customer under sub. (5) (b). If the customer deducts the amount of the funding from  
6 the amount the energy utility may collect from the customer under sub. (5) (b), the  
7 energy utility shall credit the amount of the funding against the amount the energy  
8 utility is required to ~~spend~~ pay to a statewide programs contractor under sub. (3) ~~(b)~~  
9 ~~2.~~ (bw) 3.

10 **SECTION 104.** 196.374 (3) (a) and (b) 1. of the statutes are consolidated,  
11 renumbered 196.374 (3) (a) and amended to read:

12 196.374 **(3)** (a) *In general.* The commission shall have oversight of statewide,  
13 utility-administered, supplemental utility, and large energy customer programs  
14 ~~under sub. (2).~~ The commission shall maximize coordination of program delivery,  
15 including coordination between such programs under subs. (2) (a) 1., (b) 1. and 2., and  
16 ~~(c) and (7), ordered programs,~~ low-income weatherization programs under s. ~~ss.~~  
17 16.26, 16.27, and 16.957, renewable resource programs under s. 196.378, and other  
18 energy efficiency or renewable resource programs. The commission shall cooperate  
19 with the department of natural resources to ensure coordination of energy efficiency  
20 and renewable resource programs with air quality programs and to maximize and  
21 document the air quality improvement benefits that can be realized from energy  
22 efficiency and renewable resource programs. ~~(b) 1. At least every 4 years, after notice~~  
23 ~~and opportunity to be heard, the commission shall, by order, evaluate the energy~~  
24 ~~efficiency and renewable resource programs under sub. (2) (a) 1., (b) 1. and 2., and~~  
25 ~~(c) and ordered programs and set or revise goals, priorities, and measurable targets~~



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1 ~~for the programs.~~ The In carrying out its duties under this paragraph, the  
2 commission shall give priority to cost-effective programs that moderate the growth  
3 in ~~electric and natural gas~~ target fuel demand and usage, facilitate markets and  
4 assist market providers to achieve higher levels of energy efficiency, promote energy  
5 reliability and adequacy, avoid adverse environmental impacts from the use of  
6 energy, and promote rural economic development.

7 **SECTION 105.** 196.374 (3) (b) (title) and 2. to 4. of the statutes are repealed.

8 **SECTION 106.** 196.374 (3) (bc), (bg), (bn), (br) and (bw) of the statutes are created  
9 to read:

10 196.374 (3) (bc) *Quadrennial proceedings; generally.* Every 4 years, the  
11 commission shall, after notice and opportunity to be heard, conduct a proceeding for  
12 making assessments under par. (bg), establishing goals under par. (bn), establishing  
13 funding requirements under par. (br), and allocating the funding requirements  
14 under par. (bw).

15 (bg) *Quadrennial potential studies.* 1. The commission shall assess the  
16 reduction in the use of and demand for each target fuel that can be achieved in each  
17 year of the quadrennium following the proceeding under par. (bc) through all of the  
18 following:

19 a. Cost-effective energy efficiency and renewable resource programs  
20 administered by energy providers or other persons.

21 b. Programs and policy mechanisms under the commission's jurisdiction,  
22 excluding the programs described in subd. 1. a., and including demand response and  
23 load management programs, orders under s. 196.379 (3), and the renewable portfolio  
24 standard, as defined in s. 196.378 (1r) (gm).

25 c. Low-income weatherization programs under ss. 16.26, 16.27, and 16.957.

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1           d. Other programs and policy mechanisms, including appliance and equipment  
2 efficiency standards, mandatory and voluntary energy conservation standards for  
3 buildings, and voluntary certification programs.

4           2. Reductions in use of and demand for a target fuel in assessments under subd.  
5 1. shall be expressed as percentages of total sales for the target fuel.

6           (bn) *Quadrennial goals.* For each year of the quadrennium following the  
7 proceeding under par. (bc), the commission shall establish a goal for the reduction  
8 in demand for and use of each target fuel that can be achieved under the statewide  
9 programs, and a goal for the reduction in demand for and use of each regulated fuel  
10 that can be achieved by or on behalf of each municipal utility and retail electric  
11 cooperative, as follows:

12           1. For each regulated fuel:

13           a. Estimate the total sales of the regulated fuel that will occur in the year.

14           b. Estimate the proportion of the amount estimated under subd. 1. a. that will  
15 be attributable to sales by all energy utilities in the year and multiply the proportion  
16 estimated under this subd. 1. b. by the amount estimated under subd. 1. a.

17           c. Estimate the proportion of the amount estimated under subd. 1. a. that will  
18 be attributable to sales by each municipal utility or retail electric cooperative in the  
19 year and multiply the proportion estimated under this subd. 1. c. by the amount  
20 estimated under subd. 1. a.

21           d. Determine the difference between the percentages determined under par.  
22 (bg) 1. a. and c. for the regulated fuel for the year.

23           e. Multiply the product determined under subd. 1. b. by the difference  
24 determined under subd. 1. d. The resulting product shall be the goal under the

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1 statewide programs for the regulated fuel for the year, unless modified by the  
2 commission under sub. (8) (b) 2.

3 f. Multiply the product determined under subd. 1. c. for a municipal utility or  
4 retail electric cooperative by the difference determined under subd. 1. d. The  
5 resulting product shall be the goal for the regulated fuel for the year for the municipal  
6 utility or retail electric cooperative, unless modified by the commission under sub.  
7 (8) (b) 2., and except that the commission may revise the goal if the commission  
8 determines that the goal is unreasonable considering the composition of the  
9 membership or customer base of the municipal utility or retail electric cooperative.

10 2. For each unregulated fuel:

11 a. Estimate the total sales of the unregulated fuel that will occur in the year.

12 b. Determine the difference between the percentages determined under par.  
13 (bg) 1. a. and c. for the unregulated fuel for the year.

14 c. Multiply the estimate under subd. 2. a. by the difference determined under  
15 subd. 2. b. The resulting product shall be the goal under the statewide programs for  
16 the unregulated fuel for the year, unless modified by the commission under sub. (8)  
17 (b) 2.

18 (br) *Quadrennial funding requirements.* 1. 'Statewide programs.' The  
19 commission shall determine the amount of funds necessary for statewide programs  
20 for each target fuel for each year of the quadrennium following the proceeding under  
21 par. (bc) as follows:

22 a. For each target fuel, determine the amount of funds necessary to achieve the  
23 goal determined under par. (bn) 1. e. or 2. c. for the year.

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1           b. Subtract from the amount determined under subd. 1. a. the total amount that  
2 the commission allows all energy utilities to pay for utility-administered programs  
3 for the target fuel in the year.

4           c. Subtract from the amount determined under subd. 1. b. the total amount of  
5 funding the commission allows for all large energy customer programs for the target  
6 fuel in the year. The result determined under this subd. 1. c. shall be the amount of  
7 funding necessary for statewide programs for the target fuel in the year.

8           2. ‘Municipal utilities and retail electric cooperatives.’ Except as provided in  
9 sub. (7) (bg), each municipal utility and retail electric cooperative shall determine the  
10 amount of funds necessary to achieve the goal determined under par. (bn) 1. f. for  
11 each regulated fuel for each year of the quadrennium following the proceeding under  
12 par. (bc).

13           (bw) *Funding allocation.* 1. A prime supplier shall report to the commission,  
14 in the form specified by the commission, the amount of unregulated fuel that the  
15 prime supplier imports into this state each year for ultimate use by end users in this  
16 state.

17           2. In the proceeding under par. (bc), for each target fuel, the commission shall  
18 determine the percentage of total sales of the target fuel by all energy utilities and  
19 prime suppliers in the quadrennium prior to the proceeding that is attributable to  
20 each energy utility and prime supplier.

21           3. For each regulated fuel, the commission shall order each energy utility to  
22 collect from its customers in each year of the quadrennium following the proceeding  
23 under par. (bc) an amount equal to the percentage determined for the energy utility  
24 under subd. 2. multiplied by the amount determined under par. (br) 1. c. for the  
25 regulated fuel for the year and pay the amount to a statewide programs contractor.

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1           4. For each unregulated fuel, the commission shall order each prime supplier  
2 to pay to a statewide programs contractor in each year of the quadrennium following  
3 the proceeding under par. (bc) an amount equal to the percentage determined for the  
4 prime supplier under subd. 2. multiplied by the amount determined under par. (br)  
5 1. c. for the unregulated fuel for the year.

6           **SECTION 107.** 196.374 (3) (c) (title) of the statutes is amended to read:

7           196.374 (3) (c) (title) *Reviews Other reviews and approvals.*

8           **SECTION 108.** 196.374 (3) (c) 1. of the statutes is amended to read:

9           196.374 (3) (c) 1. Review and approve contracts under sub. (2) (a) 1. ~~between~~  
10 ~~the energy utilities and program administrators~~ If the energy utilities contract with  
11 more than one person under sub. (2) (a) 1., the commission shall determine how to  
12 allocate among those persons the requirements under this section involving  
13 statewide programs contractors.

14           **SECTION 109.** 196.374 (3) (c) 2. (intro.), a. and b. of the statutes are consolidated,  
15 renumbered 196.374 (3) (c) 2. (intro.) and amended to read:

16           196.374 (3) (c) 2. (intro.) ~~Review requests under sub. (2) (b) for~~  
17 utility-administered, supplemental utility, and large energy customer programs.  
18 The commission may condition its approval of a request under ~~sub. (2) (b) as~~  
19 necessary to protect the public interest. The commission shall approve a request  
20 under ~~sub. (2) (b) 1. or 2.~~ if the commission determines that a proposed energy  
21 efficiency or renewable resource program is in the public interest and satisfies all of  
22 the following: ~~a. The program, has specific savings targets and performance~~  
23 measurable performance-based goals approved by the commission. ~~b. The program,~~  
24 is subject to independent evaluation by the commission, and, for a  
25 utility-administered or supplemental utility program, satisfies all of the following:

**SENATE BILL 450****SECTION 110**

1           **SECTION 110.** 196.374 (3) (c) 2. am., bm., c., d. and e. of the statutes are created  
2 to read:

3           196.374 **(3)** (c) 2. am. The individual elements of the program do not duplicate  
4 elements of the statewide programs. This subd. 2. am. applies only to a  
5 utility-administered program.

6           bm. Implementation of the program will complement the statewide programs  
7 and enhance the ability of the statewide programs to meet or exceed their goals.

8           c. Implementation of the program will enhance the ability of the state to meet  
9 its greenhouse gas emission reduction goals under s. 299.03 (2).

10          d. Considering alternatives to the program, the costs of the program are  
11 reasonable.

12          e. The benefits of the program exceed the costs of the program.

13           **SECTION 111.** 196.374 (3) (d) of the statutes is amended to read:

14           196.374 **(3)** (d) *Audits.* Annually, the commission shall contract with one or  
15 more independent auditors to prepare a financial and performance audit of the  
16 statewide, utility-administered, supplemental utility, and large energy customer  
17 programs specified in par. (b) 1. The purpose of the performance audit shall be to  
18 evaluate the programs and measure the performance of the programs against the  
19 goals and targets set approved by the commission under par. (b) 1. ~~The person or~~  
20 ~~persons with whom the energy utilities contract for program administration under~~  
21 ~~sub. (2) (a) 1. shall pay the costs of the audits from the amounts paid under the~~  
22 ~~contracts under sub. (2) (a) 1 (c) 2. or established under par. (bn) 1. e. or 2. c.~~ The audit  
23 shall also determine the amount of reduction in the demand for and use of each target  
24 fuel that has resulted in the year under the programs.

25           **SECTION 112.** 196.374 (3) (dm) of the statutes is created to read:

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1           196.374 (3) (dm) *Consultations*. If an audit under par. (d) indicates that a  
2 program has failed to achieve one or more goals for the year of the audit, the  
3 commission shall consult with the statewide programs contractor or person  
4 administering the program regarding ways to modify the program to ensure that, as  
5 determined under sub. (8) (a), it will achieve its goals.

6           **SECTION 113.** 196.374 (3) (e) 1. of the statutes is amended to read:

7           196.374 (3) (e) 1. The expenses of the commission, energy utilities, and  
8 ~~program administrators contracted under sub. (2) (a) 1.~~ statewide programs  
9 contractors in administering or participating in the statewide programs under sub.  
10 ~~(2) (a) 1.~~

11           **SECTION 114.** 196.374 (3) (e) 2. of the statutes is amended to read:

12           196.374 (3) (e) 2. The effectiveness of the statewide, utility-administered,  
13 supplemental utility, large energy customer, and commitment to community  
14 programs specified in par. (b) 1. and sub. (7) in reducing demand for electricity target  
15 fuels, and increasing the use of renewable resources owned by customers or  
16 members.

17           **SECTION 115.** 196.374 (3) (f) 1. of the statutes is amended to read:

18           196.374 (3) (f) 1. Procedures for energy utilities to collectively contract with  
19 ~~program administrators for administration of statewide programs under sub. (2) (a)~~  
20 ~~1. and to receive contributions from municipal utilities and retail electric~~  
21 ~~cooperatives under sub. (7) (b) 2.~~ statewide programs contractors.

22           **SECTION 116.** 196.374 (3) (f) 2. of the statutes is amended to read:

23           196.374 (3) (f) 2. Procedures and criteria for commission review and approval  
24 of contracts ~~for administration of statewide programs~~ under sub. (2) (a) 1., including

**SENATE BILL 450****SECTION 116**

1 criteria for the selection of ~~program administrators under sub. (2) (a) 1.~~ statewide  
2 programs contractors.

3 **SECTION 117.** 196.374 (3) (f) 3. of the statutes is amended to read:

4 196.374 (3) (f) 3. Procedures and criteria for commission review and approval  
5 of utility-administered, supplemental utility, and large energy customer programs  
6 ~~under sub. (2) (b) 1. and 2., customer programs under sub. (2) (c), and requests under~~  
7 ~~sub. (2) (b) 3.~~

8 **SECTION 118.** 196.374 (3) (f) 4. of the statutes is amended to read:

9 196.374 (3) (f) 4. Minimum requirements for ~~energy efficiency and renewable~~  
10 ~~resource~~ the statewide, utility-administered, supplemental utility, and large energy  
11 customer programs under sub. (2) (a) 1. ~~and customer energy efficiency programs~~  
12 ~~under sub. (2) (c).~~

13 **SECTION 119.** 196.374 (4) (a) (intro.) of the statutes is amended to read:

14 196.374 (4) (a) (intro.) In implementing the statewide programs under sub. (2)  
15 (a) 1. or administering a commitment to community program under a contract under  
16 sub. (7) (am) 2., including the awarding of grants or contracts, ~~a person who contracts~~  
17 ~~with the utilities under sub. (2) (a) 1.,~~ a statewide programs contractor or a person  
18 who subcontracts with such a person a statewide programs contractor:

19 **SECTION 120.** 196.374 (4) (a) 1. of the statutes is amended to read:

20 196.374 (4) (a) 1. May not discriminate against an energy utility provider or  
21 its affiliate or a wholesale supplier or its affiliate solely on the basis of its status as  
22 an energy utility provider or its affiliate or wholesale supplier or its affiliate.

23 **SECTION 121.** 196.374 (4) (a) 2. of the statutes is amended to read:

24 196.374 (4) (a) 2. Shall provide services to ~~utility customers~~ target fuel users  
25 on a nondiscriminatory basis and subject to a ~~customer's~~ user's choice.



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1           **SECTION 122.** 196.374 (4) (b) of the statutes is amended to read:

2           196.374 (4) (b) An energy utility that provides financing under an energy  
3 ~~efficiency program under sub. (2) (b) 1. or 2.~~ a utility-administered or supplemental  
4 utility program for installation, by a customer, of energy efficiency or renewable  
5 resource processes, equipment, or appliances, or an affiliate of such a utility, may not  
6 sell to or install for the customer those processes, equipment, appliances, or related  
7 materials. The customer shall acquire the installation of the processes, equipment,  
8 appliances, or related materials from an independent contractor of the customer's  
9 choice.

10           **SECTION 123.** 196.374 (5) (a) of the statutes is amended to read:

11           196.374 (5) (a) *Rate-making orders.* The commission shall ensure in  
12 rate-making orders that an energy utility recovers from its ratepayers the amounts  
13 the energy utility ~~spends for~~ pays for statewide, utility-administered, and  
14 supplemental utility programs under sub. (2) (a) 1.

15           **SECTION 124.** 196.374 (5) (bm) 3. of the statutes is repealed.

16           **SECTION 125.** 196.374 (5) (d) of the statutes is amended to read:

17           196.374 (5) (d) *Equitable contributions.* Subject to pars. (b) and (bm) 2., the  
18 commission shall ensure that the cost of energy efficiency and renewable resource  
19 the statewide and utility-administered programs is equitably divided among  
20 customer classes so that similarly situated ratepayers contribute equivalent  
21 amounts for the programs.

22           **SECTION 126.** 196.374 (5m) (a) of the statutes is amended to read:

23           196.374 (5m) (a) The Except as provided in par. (am), the commission shall  
24 ensure that, on an annual basis, each customer class of an energy utility has the  
25 opportunity to receive grants and benefits under energy efficiency the statewide and

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1 utility-administered programs in an amount equal to the amount that is recovered  
2 from the customer class under sub. (5) (a). Biennially, the commission shall submit  
3 a report to the governor, and the chief clerk of each house of the legislature for  
4 distribution to the legislature under s. 13.172 (2), that summarizes the total amount  
5 recovered from each customer class and the total amount of grants made to, and  
6 benefits received by, each customer class.

7 **SECTION 127.** 196.374 (5m) (am) of the statutes is created to read:

8 196.374 (**5m**) (am) The commission may allow a customer class of an energy  
9 utility the opportunity to receive grants and benefits under the statewide and  
10 utility-administered programs in an amount that is not equal to the amount  
11 recovered from the customer class under sub. (5) (a), but only if the commission finds  
12 that the allowance is in the public interest and promotes the cost-effective  
13 achievement of a goal established under sub. (3) (bn) 1. e. or 2. c.

14 **SECTION 128.** 196.374 (5m) (b) of the statutes is amended to read:

15 196.374 (**5m**) (b) The commission shall ensure that ~~customers~~ target fuel users  
16 throughout the state have an equivalent opportunity to receive the benefits of the  
17 statewide and utility-administered programs ~~under sub. (2) (a) 1. and (b) 1.~~ The  
18 commission shall ensure that the statewide programs are designed to ensure that  
19 ~~retail customers~~ target fuel users in areas not served by utility-administered  
20 programs ~~under sub. (2) (b) 1.~~ receive equivalent opportunities as those in areas  
21 served by utility-administered programs ~~under sub. (2) (b) 1.~~

22 **SECTION 129.** 196.374 (6) of the statutes is amended to read:

23 196.374 (**6**) ANNUAL STATEMENTS. Annually, the commission shall prepare a  
24 statement that describes the statewide, utility-administered, supplemental utility,  
25 and large energy customer programs ~~under sub. (2) (a) 1., (b) 1. and 2., and (c), and~~

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1 ~~ordered programs, administered or funded by the energy utility~~ and presents cost  
2 and benefit information for those programs. An energy utility shall provide each of  
3 its customers with a copy of the statement.

4 **SECTION 130.** 196.374 (7) (a) of the statutes is repealed.

5 **SECTION 131.** 196.374 (7) (am) of the statutes is created to read:

6 196.374 (7) (am) *Quadrennial funding of goals.* Except as provided in par. (bg),  
7 in each year of the quadrennium following the proceeding under sub. (3) (bc), each  
8 municipal utility and retail electric cooperative shall spend the amount determined  
9 by the municipal utility or retail electric cooperative under sub. (3) (br) 2. for that  
10 year on the following:

11 1. Commitment to community programs administered individually by the  
12 municipal utility or retail electric cooperative or jointly by the municipal utility or  
13 retail cooperative and other municipal utilities or retail electric cooperatives.

14 2. Contracts with a statewide programs contractor to administer commitment  
15 to community programs in the service territory of the municipal utility or retail  
16 electric cooperative.

17 3. Contracts with a wholesale supplier to administer commitment to  
18 community programs in the service territory of the municipal utility or retail electric  
19 cooperative.

20 4. Any combination of commitment to community programs or contracts under  
21 subds. 1. to 3.

22 **SECTION 132.** 196.374 (7) (b) (title) of the statutes is renumbered 196.374 (7)  
23 (br) (title).

24 **SECTION 133.** 196.374 (7) (b) 1. of the statutes is renumbered 196.374 (7) (br)  
25 and amended to read:

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1           196.374 (7) (br) ~~Except as provided in subd. 2., each retail electric cooperative~~  
2 ~~and municipal utility shall spend the fees that it charges under par. (a) on~~  
3 ~~commitment to community programs. The purpose of the commitment to community~~  
4 ~~programs under this paragraph shall be to help achieve environmentally sound and~~  
5 ~~adequate energy supplies at reasonable cost.~~

6           **SECTION 134.** 196.374 (7) (b) 2. of the statutes is repealed.

7           **SECTION 135.** 196.374 (7) (bg) of the statutes is created to read:

8           196.374 (7) (bg) *Wholesale supplier assignments.* A municipal utility or retail  
9 electric cooperative may assign to a wholesale supplier the duty to achieve a goal  
10 determined for the municipal utility or retail electric cooperative under sub. (3) (bn)  
11 1. f. for a regulated fuel. If a wholesale supplier accepts an assignment, the wholesale  
12 supplier shall notify the commission. A wholesale supplier that accepts an  
13 assignment shall do all of the following:

14           1. Determine the amount of funds necessary to achieve the assigned goal.

15           2. Spend the amount determined under subd. 1. in administering commitment  
16 to community programs on behalf of the municipal utility or retail electric  
17 cooperative.

18           3. Prepare and provide statements on behalf of the municipal utility or retail  
19 electric cooperative under par. (dm).

20           4. Provide for audits and submit reports on behalf of the municipal utility or  
21 retail electric cooperative under par. (e).

22           5. If the wholesale supplier accepts an assignment from more than one  
23 municipal utility or retail electric cooperative, carry out the duties specified in subds.  
24 1. to 4. on an aggregate basis for all the municipal utilities and retail electric  
25 cooperatives for which the wholesale supplier has accepted an assignment.

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1           **SECTION 136.** 196.374 (7) (c) of the statutes is repealed.

2           **SECTION 137.** 196.374 (7) (cm) of the statutes is created to read:

3           196.374 (7) (cm) *Cost recovery.* The commission shall ensure in rate-making  
4 orders that a municipal utility recovers from its ratepayers the amounts the  
5 municipal utility spends to comply with this section.

6           **SECTION 138.** 196.374 (7) (d) of the statutes is repealed.

7           **SECTION 139.** 196.374 (7) (dm) of the statutes is created to read:

8           196.374 (7) (dm) *Annual statements.* Annually, a municipal utility or retail  
9 electric cooperative shall prepare a statement that describes the municipal utility's  
10 or retail electric cooperative's commitment to community programs and provide  
11 customers or members with a copy of the statement.

12           **SECTION 140.** 196.374 (7) (e) (title) of the statutes is repealed and recreated to  
13 read:

14           196.374 (7) (e) (title) *Audits and reports.*

15           **SECTION 141.** 196.374 (7) (e) 1. (intro.) of the statutes is amended to read:

16           196.374 (7) (e) 1. (intro.) Annually, each municipal utility and retail electric  
17 cooperative ~~that spends the fee that it charges under par. (a) for commitment to~~  
18 ~~community programs under par. (b)~~ shall provide for an independent financial and  
19 program audit of its the commitment to community programs that it administers or  
20 for which it contracts under par. (am) and submit a report to the commission that  
21 describes all of the following:

22           **SECTION 142.** 196.374 (7) (e) 1. a. of the statutes is amended to read:

23           196.374 (7) (e) 1. a. An accounting of any fees charged to customers or members  
24 ~~under par. (a) in the year in order to comply with the spending required under par.~~  
25 (am) and an accounting of the expenditures in the year on commitment to community

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1 programs under par. (b), including any amounts included in the municipal utility's  
2 or retail electric cooperative's calculations under par. (c) that the municipal utility  
3 or retail electric cooperative administers or for which it contracts under par. (am).

4 **SECTION 143.** 196.374 (7) (e) 1. b. of the statutes is amended to read:

5 196.374 (7) (e) 1. b. A description of the commitment to community programs  
6 established by the municipal utility or retail electric cooperative in the year  
7 described in subd. 1. a.

8 **SECTION 144.** 196.374 (7) (e) 1. c. of the statutes is amended to read:

9 196.374 (7) (e) 1. c. The effectiveness of the commitment to community  
10 programs described in subd. 1. a. in reducing demand for electricity by customers or  
11 members regulated fuels.

12 **SECTION 145.** 196.374 (7) (e) 1. e. of the statutes is created to read:

13 196.374 (7) (e) 1. e. An assessment, based on the program audit, of whether the  
14 commitment to community programs described in subd. 1. a. have met the goal for  
15 each regulated fuel for the year determined under sub. (3) (bn) 1. f.

16 **SECTION 146.** 196.374 (8) of the statutes is renumbered 196.374 (8) (d) and  
17 amended to read:

18 196.374 (8) (d) Exceptions. An energy utility that spends pays to a statewide  
19 programs contractor the full amount required under sub. (3) ~~(b) 2.~~ (bw) 3. in any year  
20 is considered to have satisfied its requirements under this section for that year. A  
21 municipal utility or retail electric cooperative that contracts with a statewide  
22 programs contractor under sub. (7) (am) 2. to achieve each of the utility's or  
23 cooperative's goals determined under sub. (3) (bn) 1 f. for a year is considered to have  
24 satisfied its requirements under this section for that year.

25 **SECTION 147.** 196.374 (8) (a), (b) and (c) of the statutes are created to read:

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1           196.374 (8) (a) *Determinations.* 1. a. For each quadrennium following the  
2           proceeding under sub. (3) (bc), the commission shall determine the annual average  
3           reduction in demand for and use of each target fuel that is achieved under the  
4           statewide programs and achieved by or on behalf of each municipal utility and retail  
5           electric cooperative through commitment to community programs. Except as  
6           provided in subds. 1. b. and 1. c., if the annual average reduction for a target fuel  
7           equals or exceeds the average of the goals determined under sub. (3) (bn) 1. e., 1. f.,  
8           or 2. c. for the quadrennium, the commission shall conclude that the goal is achieved  
9           for the quadrennium.

10           b. If a municipal utility or retail electric cooperative enters into a contract  
11           under sub. (7) (am) 3. with a wholesale supplier and at least one other municipal  
12           utility or retail electric cooperative enters into a similar contract with the wholesale  
13           supplier, the commission shall determine whether to conclude that a goal is achieved  
14           for a regulated fuel for a year under subd. 1. a. based on the aggregate annual average  
15           reduction that results for that regulated fuel for that year under all of the contracts.

16           c. If a wholesale supplier accepts assignment of a goal under sub. (7) (bg) for  
17           a regulated fuel for a year from more than one municipal utility or retail electric  
18           cooperative, the commission shall determine whether to conclude that the goal is  
19           achieved on an aggregate basis for all the municipal utilities and retail electric  
20           cooperatives for which the wholesale supplier has accepted the assignment, rather  
21           than on an individual basis for each municipal utility or retail electric cooperative.

22           2. For each utility-administered, supplemental utility, and large energy  
23           customer program, the commission shall determine whether the program achieved  
24           the goals approved for the program under sub. (3) (c) 2. on average over the time

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1 period in which the program is in effect or another time period specified by the  
2 commission.

3 (b) *Reviews.* 1. If the commission determines under par. (a) that a goal is not  
4 achieved, the commission shall investigate, as applicable, the statewide programs or  
5 the utility-administered, large energy customer, or commitment to community  
6 programs at issue, and determine the reasons for failure to achieve the goal.

7 2. If the commission determines under subd. 1. that a statewide programs  
8 contractor or person administering the utility-administered, large energy customer,  
9 or commitment to community program made a good faith effort to meet the goal and  
10 that the failure is due to factors outside the statewide program contractor's or  
11 person's control, the commission shall take those factors into account in modifying  
12 goals for and, where applicable, approving future programs administered by the  
13 statewide programs contractor or person.

14 3. If the commission determines under subd. 1. that a statewide programs  
15 contractor or person administering the utility-administered, large energy customer,  
16 or commitment to community program did not make a good faith effort to achieve the  
17 goal or that the failure to achieve the goal was due to factors within the statewide  
18 program contractor's or person's control, the commission shall implement remedies  
19 according to the rules promulgated under par. (c). The commission may determine  
20 that a statewide programs contractor or person administering the  
21 utility-administered, large energy customer, or commitment to community program  
22 did not make a good faith effort to meet a goal only if the commission finds any of the  
23 following:

24 a. The statewide programs contractor or person has repeatedly or grossly failed  
25 to meet a goal.



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1           b. For a commitment to community program, the municipal utility, retail  
2 electric cooperative, or wholesale supplier administering or contracting for the  
3 program did not determine an amount of funds under sub. (3) (br) 2. or (7) (bg) 1. that  
4 could reasonably be considered necessary to achieve the goal.

5           c. Any other condition specified by the commission by rule.

6           (c) *Remedies.* The commission shall promulgate rules specifying remedies to  
7 implement under par. (b) 3. that are in proportion to the magnitude of the failure to  
8 achieve a goal and the degree to which a statewide programs contractor or person  
9 administering the utility-administered, large energy customer, or commitment to  
10 community program did not make a good faith effort or did not control the factors  
11 that resulted in the failure to achieve the goal. The rules shall include all of the  
12 following remedies:

13           1. An order that a statewide programs contractor or person take corrective  
14 actions, which may include achieving the goal in a year or other time period specified  
15 by the commission, in addition to achieving any other goal under this section that  
16 applies to that year or time period.

17           2. For a goal under the statewide programs:

18           a. An order that the energy utilities invoke any provisions of a contract under  
19 sub. (2) (a) 1., or that a statewide programs contractor invoke any provisions of a  
20 subcontract, that impose monetary penalties for failure to achieve a goal.

21           b. An order that the energy utilities modify or terminate the contract with a  
22 statewide programs contractor under sub. (2) (a) 1. or an order that a statewide  
23 programs contractor modify or terminate any subcontract.

24           3. For a goal under a utility-administered or large energy customer program,  
25 an order modifying or terminating the program.

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1           4. For a goal of a municipal utility or retail electric cooperative, an order  
2 requiring the municipal utility or retail electric cooperative to modify or terminate  
3 a contract with or assignment to a wholesale supplier under sub. (7) (am) 3. or (bg),  
4 or enter into a contract with a statewide programs contractor under sub. (7) (am) 2.,  
5 or an order requiring both.

6           5. Any other remedy specified by the commission.

7           **SECTION 148.** 196.374 (9) of the statutes is created to read:

8           196.374 (9) TREATMENT OF CERTAIN CAPITAL INVESTMENTS. (a) The commission  
9 may allow an energy utility to earn a return on capital invested under a  
10 utility-administered or supplemental utility program for energy conservation or  
11 efficiency equipment that is located on customer premises, including equipment  
12 owned by either the energy utility or a customer. The commission may make such  
13 an allowance only if the commission determines that the investment is prudent and  
14 a cost-effective means of advancing energy conservation or efficiency.

15           (b) If the commission makes an allowance under par. (a), all of the following  
16 apply:

17           1. If the investment is made to replace existing equipment, the commission  
18 shall allow the energy utility to earn a return only on that portion of the investment  
19 that can be attributed to improving energy conservation or efficiency in comparison  
20 to the existing equipment.

21           2. If the investment is made to install new equipment that does not replace  
22 existing equipment, the commission shall allow the energy utility to earn a return  
23 only on that portion of the investment that can be attributed to improving energy  
24 conservation or efficiency in comparison to generally available alternative  
25 equipment.

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1 (c) The commission shall promulgate rules to implement this subsection,  
2 including rules specifying the energy conservation or efficiency equipment that  
3 qualifies for treatment under par. (a).

4 **SECTION 149.** 196.377 (title) of the statutes is repealed.

5 **SECTION 150.** 196.377 (1) of the statutes is renumbered 196.377.

6 **SECTION 151.** 196.377 (2) of the statutes is repealed.

7 **SECTION 152.** 196.378 (1) (intro.) and (ag) of the statutes are renumbered  
8 196.378 (1r) (intro.) and (ag), and 196.378 (1r) (ag), as renumbered, is amended to  
9 read:

10 196.378 (1r) (ag) “Baseline renewable percentage” means the average of an  
11 energy electric provider’s renewable energy percentage for 2001, 2002, and 2003.

12 **SECTION 153.** 196.378 (1) (am) of the statutes is repealed.

13 **SECTION 154.** 196.378 (1) (ar) of the statutes is renumbered 196.378 (1r) (ar)  
14 and amended to read:

15 196.378 (1r) (ar) “Biomass” ~~means a resource that derives energy from wood~~  
16 ~~or plant material or residue, biological waste, crops grown for use as a resource or~~  
17 ~~landfill gases. “Biomass” does not include garbage, as defined in s. 289.01 (9), or~~  
18 ~~nonvegetation-based industrial, commercial or household waste, except that~~  
19 ~~“biomass” includes refuse-derived fuel used for a renewable facility that was in~~  
20 ~~service before January 1, 1998 has the meaning given in s. 196.374 (1) (am).~~

21 **SECTION 155.** 196.378 (1) (b) of the statutes is repealed.

22 **SECTION 156.** 196.378 (1) (c) and (d) of the statutes are renumbered 196.378 (1r)  
23 (c) and (d).

24 **SECTION 157.** 196.378 (1) (fg) of the statutes is renumbered 196.378 (1r) (fg)  
25 (intro.) and amended to read:

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1 196.378 (1r) (fg) (intro.) “Renewable energy” means electricity derived from

2 ~~a- any of the following:~~

3 1. A renewable resource.

4 **SECTION 158.** 196.378 (1) (fm) (intro.) of the statutes is renumbered 196.378  
5 (1r) (fm) (intro.).

6 **SECTION 159.** 196.378 (1) (fm) 1. of the statutes is renumbered 196.378 (1r) (fm)  
7 1. and amended to read:

8 196.378 (1r) (fm) 1. The electric provider’s ~~total~~ renewable energy in that year  
9 that is allowed under the rules promulgated under sub. (3) (c).

10 **SECTION 160.** 196.378 (1) (fm) 2. of the statutes is renumbered 196.378 (1r) (fm)  
11 2. and amended to read:

12 196.378 (1r) (fm) 2. The renewable resource credits ~~created or purchased by the~~  
13 ~~electric provider, if any,~~ that the electric provider elects to use in that year.

14 **SECTION 161.** 196.378 (1) (fr) of the statutes is repealed.

15 **SECTION 162.** 196.378 (1) (g) of the statutes is renumbered 196.378 (1r) (g).

16 **SECTION 163.** 196.378 (1) (h) (intro.) of the statutes is renumbered 196.378 (1r)  
17 (h) and amended to read:

18 196.378 (1r) (h) “Renewable resource” means ~~any of the following:~~ has the  
19 meaning given in s. 196.374 (1) (j).

20 **SECTION 164.** 196.378 (1) (h) 1., 1m. and 2. of the statutes are repealed.

21 **SECTION 165.** 196.378 (1) (i) of the statutes is renumbered 196.378 (1r) (i) and  
22 amended to read:

23 196.378 (1r) (i) “Renewable resource credit” means a renewable resource  
24 credit, as defined in s. 196.378 (1) (i), 2007 stats., or a renewable resource credit  
25 calculated in accordance with rules promulgated ~~created~~ under sub. (3) (a) ~~1. and 2.~~

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1           **SECTION 166.** 196.378 (1) (j) of the statutes is repealed.

2           **SECTION 167.** 196.378 (1) (k) of the statutes is renumbered 196.378 (1r) (k).

3           **SECTION 168.** 196.378 (1) (o) of the statutes is repealed.

4           **SECTION 169.** 196.378 (1) (p) of the statutes is renumbered 196.378 (1r) (p).

5           **SECTION 170.** 196.378 (1g) of the statutes is created to read:

6           196.378 (**1g**) LEGISLATIVE FINDINGS. The legislature finds all of the following:

7           (a) It is essential to the health and safety and economic well-being of  
8           Wisconsin that the state maintain a highly reliable electric system at all times.

9           (b) Increased reliance on out-of-state electric generation dependent on  
10           long-distance transmission of electricity to deliver the electricity to Wisconsin  
11           creates reliability and congestion cost risks that are significantly greater than  
12           reliance on electric generation located in Wisconsin at or near centers of demand for  
13           electricity.

14           (c) Historically, Wisconsin has relied on imports of electricity from other states  
15           for about 15 percent of the state's electricity needs.

16           (d) It is essential to the health and safety and economic well-being of Wisconsin  
17           that the state take actions to mitigate global climate change from emissions of  
18           greenhouse gasses. Central to such mitigation efforts is reducing reliance on  
19           electricity produced from fossil fuels through policies such as the renewable portfolio  
20           standard.

21           (e) As of the effective date of this paragraph .... [LRB inserts date], the most  
22           abundant and affordable sources of electricity that can be used to comply with the  
23           renewable portfolio standard are wind resources in western Minnesota, the Dakotas,  
24           and Iowa. Extensive reliance on these resources for compliance with the renewable

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1 portfolio standard will produce a significant increase in dependence on imported  
2 electricity with the associated reliability and congestion cost risks.

3 (f) To balance the competing imperatives of maintaining the reliability of the  
4 electric system and reducing dependence on electricity produced from fossil fuels, it  
5 is essential that Wisconsin adopt a renewable portfolio standard that requires at  
6 least in part the production of electricity from renewable resources in this state.

7 **SECTION 171.** 196.378 (1r) (de) of the statutes is created to read:

8 196.378 (1r) (de) “In-state percentage” means, with respect to an electric  
9 provider, the portion of the electric provider’s renewable energy percentage that is  
10 derived from electricity generated by renewable facilities located in this state,  
11 renewable resource credits separated from such electricity, nonelectric energy, and  
12 nonelectric energy certificates.

13 **SECTION 172.** 196.378 (1r) (dm) of the statutes is created to read:

14 196.378 (1r) (dm) “Nonelectric energy” means any of the following types of  
15 energy produced or generated at a facility located in this state and placed in service  
16 on or after the effective date of this paragraph .... [LRB inserts date], but only if the  
17 energy displaces fossil fuel use in this state:

18 1. The thermal output from a cogeneration production plant, as defined in s.  
19 79.005 (1g).

20 2. The thermal output from a biomass-fueled boiler, but only if, after the  
21 effective date of this subdivision .... [LRB inserts date], the boiler was converted from  
22 a fossil fuel-fueled boiler to a biomass-fueled boiler.

23 3. The thermal output of a geothermal system.

24 4. Biogas that is put into a natural gas transmission or distribution pipeline.

25 5. The thermal output of a solar water heating system.

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1           6. Useable light delivered by a solar light pipe.

2           7. Energy derived from other applications, specified by the commission by rule,  
3 that produce energy other than electricity from renewable resources.

4           **SECTION 173.** 196.378 (1r) (ds) of the statutes is created to read:

5           196.378 (1r) (ds) “Nonelectric energy certificate” means a certificate created  
6 under the rules under sub. (3m) (a).

7           **SECTION 174.** 196.378 (1r) (fg) 2. of the statutes is created to read:

8           196.378 (1r) (fg) 2. The combustion of refuse-derived fuel in a facility that was  
9 in service before January 1, 1998.

10          **SECTION 175.** 196.378 (1r) (fg) 3. of the statutes is created to read:

11          196.378 (1r) (fg) 3. The combustion of solid waste that has been subject to a  
12 process to remove recyclable and noncombustible materials in a facility that is owned  
13 by a county in this state and that was in service before January 1, 1998.

14          **SECTION 176.** 196.378 (1r) (fm) 3. of the statutes is created to read:

15          196.378 (1r) (fm) 3. Nonelectric energy produced or generated by the electric  
16 provider in that year from which the electric provider does not create nonelectric  
17 energy certificates.

18          **SECTION 177.** 196.378 (1r) (fm) 4. of the statutes is created to read:

19          196.378 (1r) (fm) 4. Nonelectric energy certificates that an electric provider  
20 purchases in that year.

21          **SECTION 178.** 196.378 (1r) (gm) of the statutes is created to read:

22          196.378 (1r) (gm) “Renewable portfolio standard” means the requirement to  
23 comply with sub. (2) (a) 2.

24          **SECTION 179.** 196.378 (2) (a) 1. of the statutes is amended to read:

**SENATE BILL 450****SECTION 179**

1           196.378 (2) (a) 1. No later than June 1, ~~2016~~ 2014, the commission shall  
2 prepare a report stating whether, by December 31, ~~2015~~ 2013, the state has met a  
3 goal of 10 percent of all electric energy consumed in the state being renewable energy.  
4 No later than June 1, 2021, the commission shall prepare a report stating, whether  
5 by December 31, 2020, the state has met a goal of 20 percent of all electric energy  
6 consumed in this state being renewable energy and 6 percent of all electric energy  
7 consumed in this state being generated by renewable facilities located in this state.  
8 No later than June 1, 2026, the commission shall prepare a report stating, whether  
9 by December 31, 2025, the state has met a goal of 25 percent of all electric energy  
10 consumed in this state being renewable energy and 10 percent of all electric energy  
11 consumed in this state being generated by renewable facilities located in this state.  
12 If the a goal for a year has not been achieved, the a report shall indicate why the goal  
13 was not achieved and how it may be achieved, and the commission shall prepare  
14 similar reports biennially thereafter until the goal is achieved. The commission shall  
15 submit reports under this subdivision to the governor and chief clerk of each house  
16 of the legislature for distribution to the legislature under s. 13.172 (2).

17           **SECTION 180.** 196.378 (2) (a) 2. c. of the statutes is amended to read:

18           196.378 (2) (a) 2. c. For the years 2011, and 2012, ~~2013~~, and 2014, each electric  
19 provider may not decrease its renewable energy percentage below the electric  
20 provider's renewable energy percentage required under subd. 2. b.

21           **SECTION 181.** 196.378 (2) (a) 2. d. of the statutes is amended to read:

22           196.378 (2) (a) 2. d. For the year ~~2015~~ 2013, each electric provider shall increase  
23 its renewable energy percentage so that it is at least 6 percentage points above the  
24 electric provider's baseline renewable percentage.

25           **SECTION 182.** 196.378 (2) (a) 2. e. of the statutes is amended to read:



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1           196.378 (2) (a) 2. e. For ~~each year after~~ the years 2014, 2015, 2016, 2017, 2018,  
2           and 2019, each electric provider may not decrease its renewable energy percentage  
3           below the electric provider's renewable energy percentage required under subd. 2.  
4           d.

5           **SECTION 183.** 196.378 (2) (a) 2. f. of the statutes is created to read:

6           196.378 (2) (a) 2. f. For the year 2020, each electric provider shall increase its  
7           renewable energy percentage so that it is at least 16 percentage points above the  
8           electric provider's baseline renewable percentage and shall ensure that its in-state  
9           percentage is not less than 30 percent of the renewable energy percentage required  
10          under this subd. 2. f.

11          **SECTION 184.** 196.378 (2) (a) 2. g. of the statutes is created to read:

12          196.378 (2) (a) 2. g. For the years 2021, 2022, 2023, and 2024, each electric  
13          provider may not decrease its renewable energy percentage below the electric  
14          provider's renewable energy percentage required under subd. 2. f. and may not  
15          decrease its in-state percentage below the electric provider's in-state percentage  
16          required under subd. 2. f.

17          **SECTION 185.** 196.378 (2) (a) 2. h. of the statutes is created to read:

18          196.378 (2) (a) 2. h. For the year 2025, each electric provider shall increase its  
19          renewable energy percentage so that it is at least 21 percentage points above the  
20          electric provider's baseline renewable percentage and shall ensure that its in-state  
21          percentage is not less than 40 percent of the renewable energy percentage required  
22          under this subd. 2. h.

23          **SECTION 186.** 196.378 (2) (a) 2. i. of the statutes is created to read:

24          196.378 (2) (a) 2. i. For each year after 2025, each electric provider may not  
25          decrease its renewable energy percentage below the electric provider's renewable

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1 energy percentage required under subd. 2. h. and may not decrease its in-state  
2 percentage below the electric provider's in-state percentage required under subd. 2.  
3 h.

4 **SECTION 187.** 196.378 (2) (b) (intro.) of the statutes is amended to read:

5 196.378 (2) (b) (intro.) For purposes of determining compliance with ~~par. (a)~~ the  
6 renewable portfolio standard:

7 **SECTION 188.** 196.378 (2) (b) 1m. (intro.) of the statutes is amended to read:

8 196.378 (2) (b) 1m. (intro.) The Except as provided in subd. 1r., the amount of  
9 renewable resource credits associated with electricity derived from hydroelectric  
10 renewable resources that an electric provider may ~~count toward satisfying the~~  
11 ~~requirements of par. (a) 2.~~ include in its renewable energy percentage shall be those  
12 renewable resource credits associated with all electricity provided by hydroelectric  
13 power that the electric provider purchased in the reporting year plus renewable  
14 resource credits associated with all of the following:

15 **SECTION 189.** 196.378 (2) (b) 1m. a. of the statutes is amended to read:

16 196.378 (2) (b) 1m. a. The For facilities owned or operated by the electric  
17 provider that were initially placed in service before January 1, 2004, the average of  
18 the amounts of hydroelectric power generated by the facilities owned or operated by  
19 the electric provider for 2001, 2002, and 2003, regardless of whether the electric  
20 provider owned or operated the facilities in those years, adjusted to reflect the  
21 permanent removal from service of any of those facilities and adjusted to reflect any  
22 capacity increases from improvements made to those facilities on or after January  
23 1, 2004.

24 **SECTION 190.** 196.378 (2) (b) 1r. of the statutes is created to read:

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1           196.378 (2) (b) 1r. a. Except as provided in subd. 1r. b. and c., an electric  
2 provider may not include in its renewable energy percentage any renewable resource  
3 credits associated with electricity derived from a hydroelectric facility that has a  
4 rated capacity of 60 megawatts or more.

5           b. Except as provided in subd. 1r. c., an electric provider may include in its  
6 renewable energy percentage renewable resource credits associated with electricity  
7 generated after December 31, 2013, from a hydroelectric facility located outside this  
8 state that has a rated capacity of 60 megawatts or more and that is first placed in  
9 service on or after the effective date of this subd. 1r. b. .... [LRB inserts date].

10          c. Renewable resource credits associated with electricity derived from a  
11 hydroelectric facility that is located in Manitoba, Canada, that has a rated capacity  
12 of 60 megawatts or more, and that is first placed in service on or after the effective  
13 date of this subd. 1r. c. .... [LRB inserts date], may be included in a renewable energy  
14 percentage only if the province of Manitoba has informed the commission in writing  
15 that the interim licenses under which the Lake Winnipeg Regulation Project and the  
16 Churchill River Diversion Project were operating on the effective date of this subd.  
17 1r. c. .... [LRB inserts date], have been replaced by final licenses and that those  
18 projects have received all final approvals, licenses, and permits applicable to them  
19 under Canadian law and only if the commission determines that such final licenses  
20 and any other actions taken by the province of Manitoba or Manitoba Hydro-Electric  
21 Board constitute a reasonable resolution of the concerns of the First Nations affected  
22 by those projects.

23           **SECTION 191.** 196.378 (2) (b) 2. of the statutes is repealed.

24           **SECTION 192.** 196.378 (2) (b) 2m. of the statutes is created to read:

**SENATE BILL 450****SECTION 192**

1           196.378 (2) (b) 2m. A wholesale supplier may demonstrate compliance with the  
2 renewable portfolio standard on behalf of a member or customer, or on behalf of its  
3 members or customers in the aggregate.

4           **SECTION 193.** 196.378 (2) (b) 4. and 5. of the statutes are repealed.

5           **SECTION 194.** 196.378 (2) (bm) of the statutes is created to read:

6           196.378 (2) (bm) 1. In this paragraph:

7           a. “Energy content ratio” means, with respect to a facility, the ratio in which  
8 the numerator is the energy content of the biomass, solid waste, refuse-derived fuel,  
9 or any combination of biomass, solid waste, or refuse-derived fuel, that is burned by  
10 the facility and the denominator is the energy content of the fossil fuel and the  
11 biomass, solid waste, refuse-derived fuel, or any combination of biomass, solid  
12 waste, or refuse-derived fuel, that is burned by the facility.

13           b. “Facility” means a facility that burns a fossil fuel and also burns biomass,  
14 solid waste, refuse-derived fuel, or any combination of biomass, solid waste, or  
15 refuse-derived fuel.

16           2. The amount of renewable resource credits associated with electricity  
17 supplied by a facility that may be included in a renewable energy percentage shall  
18 be an amount equal to the product of the facility’s energy content ratio and the total  
19 amount of the electricity generated by the facility that is sold at retail.

20           3. The amount of renewable resource credits associated with thermal energy  
21 supplied by a facility that may be included in a renewable energy percentage shall  
22 be an amount equal to the product of the facility’s energy content ratio and the total  
23 amount of thermal energy that is produced by the facility.

24           **SECTION 195.** 196.378 (2) (c) of the statutes is renumbered 196.378 (2) (c) 1. and  
25 amended to read:

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1           196.378 (2) (c) 1. No later than April 15 annually, or another annual date  
2 specified by the commission by rule, an electric provider shall submit a report to the  
3 commission that identifies the electric provider's renewable energy percentage for  
4 the previous year and, beginning with the report submitted in 2021, the electric  
5 provider's in-state percentage for the previous year, and describes the electric  
6 provider's compliance with ~~par. (a) 2.~~ the renewable portfolio standard and the  
7 electric provider's implementation plans for future compliance. ~~Reports under this~~  
8 ~~paragraph may include certifications from renewable energy suppliers regarding the~~  
9 ~~sources and amounts of renewable energy supplied to the electric provider.~~ The  
10 commission may specify the documentation that is required to be included with  
11 reports submitted under this paragraph. The commission may require that electric  
12 providers submit the reports in a proceeding, initiated by the commission under this  
13 section relating to the implementation of s. 1.12, or in a proceeding for preparing a  
14 strategic energy assessment under s. 196.491 (2). A wholesale supplier may submit  
15 a report under this subdivision on behalf of a member or customer or on behalf of its  
16 members or customers in the aggregate.

17           2. No later than 90 days after the commission's receipt of ~~an electric provider's~~  
18 ~~a report submitted by or on behalf of an electric provider under subd. 1.,~~ the  
19 commission shall inform the electric provider whether the electric provider is in  
20 compliance with ~~par. (a) 2.~~ the renewable portfolio standard.

21           **SECTION 196.** 196.378 (2) (d) (intro.) of the statutes is amended to read:

22           196.378 (2) (d) (intro.) The commission shall allow an electric utility to recover  
23 from ratepayers the cost of ~~providing total renewable energy to its retail customers~~  
24 ~~in amounts that equal or exceed the percentages specified in par. (a)~~ complying with  
25 or exceeding the renewable portfolio standard. Subject to any approval of the

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1 commission that is necessary, an electric utility may recover costs under this  
2 paragraph by any of the following methods:

3 **SECTION 197.** 196.378 (2) (e) (intro.) of the statutes is amended to read:

4 196.378 (2) (e) (intro.) An electric provider, ~~or a wholesale supplier for its~~  
5 ~~members,~~ may request that the commission grant a delay for complying with a  
6 deadline specified in ~~par. (a) 2.~~ the renewable portfolio standard. The commission  
7 shall hold a hearing on the request and, if requested by the electric provider ~~or~~  
8 ~~wholesale supplier,~~ treat the matter as a contested case. The commission shall grant  
9 a delay if the commission determines that the applicant has demonstrated good faith  
10 efforts to comply with the deadline and that any of the following applies:

11 **SECTION 198.** 196.378 (2) (f) of the statutes is amended to read:

12 196.378 (2) (f) A ~~wholesale electric cooperative for its members or a municipal~~  
13 ~~electric company~~ supplier for its members or customers may delay compliance with  
14 a deadline specified in ~~par. (a) 2.~~ the renewable portfolio standard for any reason  
15 specified in par. (e) 1. to 4. A ~~wholesale electric cooperative or a municipal electric~~  
16 ~~company~~ supplier that delays compliance with a deadline specified in ~~par. (a) 2.~~ the  
17 renewable portfolio standard shall inform the commission of the delay and the  
18 reason for the delay, and shall submit information to the commission demonstrating  
19 that, notwithstanding good faith efforts by the ~~wholesale electric cooperative or~~  
20 ~~municipal electric company~~ supplier and its members or customers, the members or  
21 customers cannot meet the deadline for the stated reason.

22 **SECTION 199.** 196.378 (2) (g) 2. of the statutes is amended to read:

23 196.378 (2) (g) 2. An energy consumer advocacy group may request that the  
24 commission grant to an electric provider that serves one or more members of the  
25 group a delay for complying with a deadline specified in ~~par. (a) 2.~~ the renewable

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1 portfolio standard. The commission shall hold a hearing on the request and, if  
2 requested by the energy consumer advocacy group, treat the matter as a contested  
3 case. The commission shall grant a delay if the commission determines that the  
4 utility has demonstrated good faith efforts to comply with the deadline and that any  
5 of the conditions in par. (e) 1. to 4. apply.

6 **SECTION 200.** 196.378 (2) (h) of the statutes is created to read:

7 196.378 (2) (h) For purposes of pars. (e), (f), and (g), a renewable energy  
8 percentage deadline for a year and an in-state percentage deadline for the same year  
9 are separate deadlines for which separate delays must be granted or authorized  
10 under par. (e), (f), or (g).

11 **SECTION 201.** 196.378 (3) of the statutes is repealed and recreated to read:

12 196.378 (3) RENEWABLE RESOURCE CREDITS. (a) 1. Except as provided in par. (d),  
13 whenever a person generates renewable energy, the person creates renewable  
14 resource credits in an amount equal to one credit for each megawatt hour of  
15 renewable energy generated. A person that generates renewable energy may do any  
16 of the following:

17 a. Sell the renewable energy and the associated renewable resource credits to  
18 any other person. For renewable energy that is sold at wholesale in this state, the  
19 sale is considered to include the associated renewable resource credits unless an  
20 agreement between the parties specifies otherwise.

21 b. Except as provided in s. 196.379 (6), separate the renewable resource credits  
22 from the renewable energy and sell, trade, transfer, assign, bank for future use, or  
23 permanently retire the credits or, if the person is an electric provider, elect to include  
24 the credits in the electric provider's renewable energy percentage.

**SENATE BILL 450****SECTION 201**

1           2. A person that purchases renewable energy from which the associated  
2 renewable resource credits have not been separated may take any of the actions  
3 described in subds. 1. a. and b.

4           3. A person that purchases renewable resource credits may sell, trade, transfer,  
5 assign, bank for future use, or permanently retire the credits, or, if the person is an  
6 electric provider, elect to include the credits in the electric provider's renewable  
7 energy percentage.

8           4. An electric provider may include renewable resource credits created by the  
9 generation of renewable energy outside this state in the electric provider's renewable  
10 energy percentage if the credits are documented in a regional renewable resource  
11 credit tracking system designated by the commission in rules promulgated under  
12 par. (b) and the credits satisfy the requirements of this subsection and the rules  
13 promulgated under par. (b).

14           5. An electric provider may not include a renewable resource credit in the  
15 electric provider's renewable energy percentage if the renewable resource credit or  
16 renewable energy from which the credit has been separated has been used to comply  
17 with the renewable energy requirements of another state.

18           6. An electric provider may not use renewable resource credits created by the  
19 generation of renewable energy outside this state to comply with an in-state  
20 percentage requirement of the renewable portfolio standard.

21           7. A renewable resource credit remains eligible to be included in a renewable  
22 energy percentage until an electric provider uses the credit in the electric provider's  
23 renewable energy percentage or the owner of the credit retires the credit.

24           (b) The commission shall promulgate rules that establish requirements and  
25 procedures for creating, selling, trading, transferring, assigning, banking, and



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1 retiring renewable resource credits, for an electric provider's inclusion of renewable  
2 resource credits in the electric provider's renewable energy percentage, and for  
3 tracking renewable resource credits under a regional renewable resource credit  
4 tracking system designated by the commission.

5 (c) The commission shall promulgate rules that allow an electric provider to  
6 include in the electric provider's renewable energy percentage renewable energy  
7 generated or purchased by the electric provider from which renewable resource  
8 credits have not been separated.

9 (d) Renewable resource credits associated with hydroelectric power specified  
10 in sub. (2) (b) 1m. a. and b. may not be sold, traded, transferred, assigned, or banked  
11 for future use.

12 **SECTION 202.** 196.378 (3m) of the statutes is created to read:

13 196.378 (3m) NONELECTRIC ENERGY. (a) The commission shall promulgate rules  
14 allowing an electric provider to include in its renewable energy percentage for a year  
15 the megawatt hour equivalent of nonelectric energy produced or generated by the  
16 electric provider in the year. The commission shall also promulgate rules allowing  
17 any person, including an electric provider, to create a certificate documenting the  
18 megawatt hour equivalent of nonelectric energy produced or generated by the person  
19 in a year and to sell the certificate to an electric provider for inclusion in the electric  
20 provider's renewable energy percentage for that year. An electric provider who  
21 purchases a certificate may sell the certificate to another electric provider, but a  
22 certificate may be included in an electric provider's renewable energy percentage  
23 only in the year that the nonelectric energy documented by the certificate was  
24 generated. There is no limit on the number of sales in a year by electric providers.

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1 (b) The rules promulgated under par. (a) shall include requirements and  
2 procedures for determining the megawatt hour equivalent of nonelectric energy,  
3 measuring and verifying nonelectric energy, and demonstrating that nonelectric  
4 energy has displaced fossil fuel use in this state.

5 **SECTION 203.** 196.378 (4) of the statutes, as affected by 2009 Wisconsin Act 40,  
6 is repealed.

7 **SECTION 204.** 196.378 (4m) (a) of the statutes is amended to read:

8 196.378 (4m) (a) The commission may not impose on an electric provider any  
9 requirement that increases the electric provider's renewable energy percentage or  
10 in-state percentage beyond that required under ~~sub. (2) (a) 2. the renewable portfolio~~  
11 ~~standard.~~ If an electric provider is in compliance with the requirements of ~~sub. (2)~~  
12 ~~(a) 2. renewable portfolio standard,~~ the commission may not require the electric  
13 provider to undertake, administer, or fund any other renewable energy program.  
14 This paragraph does not limit the authority of the commission to enforce an electric  
15 provider's obligations under s. 196.374 or 196.379.

16 **SECTION 205.** 196.378 (4m) (b) of the statutes is amended to read:

17 196.378 (4m) (b) An electric utility may, with commission approval, administer  
18 or fund a program that increases the electric utility's renewable energy percentage  
19 or in-state percentage beyond that required under ~~sub. (2) (a) 2. the renewable~~  
20 ~~portfolio standard.~~ The commission may not order an electric utility to administer  
21 or fund a program under this paragraph.

22 **SECTION 206.** 196.378 (5) (intro.) of the statutes is amended to read:

23 196.378 (5) PENALTY. (intro.) Any person who violates sub. (2) or ~~any renewable~~  
24 ~~energy supplier who~~ provides an electric provider with ~~a~~ false or misleading  
25 ~~certification~~ information regarding the sources or amounts of renewable energy

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1 supplied at wholesale to the electric provider shall forfeit not less than \$5,000 nor  
2 more than \$500,000. Forfeitures under this subsection shall be enforced by action  
3 on behalf of the state by the attorney general. A court imposing a forfeiture under  
4 this subsection shall consider all of the following in determining the amount of the  
5 forfeiture:

6 **SECTION 207.** 196.378 (5) (a) of the statutes is amended to read:

7 196.378 (5) (a) The appropriateness of the forfeiture to the person's or  
8 ~~wholesale supplier's~~ volume of business.

9 **SECTION 208.** 196.379 of the statutes is created to read:

10 **196.379 Renewable tariffs. (1) DEFINITIONS.** In this section:

11 (a) "Electric utility" has the meaning given in s. 196.378 (1r) (d).

12 (b) "Large electric utility" means an electric utility that had retail electric sales  
13 in 2008 of 2,500,000 megawatt hours or more.

14 (c) "Renewable energy" means electricity derived from a renewable facility.

15 (d) "Renewable facility" means an electric generating facility that is a  
16 small-scale facility, as determined by the commission, and that derives energy from  
17 any of the following:

18 1. Photovoltaic energy.

19 2. Wind power.

20 3. Gas made from a renewable resource.

21 4. Any other renewable resource specified by the commission.

22 (e) "Renewable resource" has the meaning given in s. 196.374 (1) (j).

23 (f) "Renewable resource credit" has the meaning given in s. 196.378 (1r) (i).

24 (g) "Small electric utility" means an electric utility that had retail electric sales  
25 in 2008 of less than 2,500,000 megawatt hours.

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1           **(2) PURPOSE.** The purpose of this section is to maximize the development and  
2 deployment of distributed renewable energy generation technologies used at  
3 renewable facilities without unreasonable impacts on electric utility rates.

4           **(3) ORDERS.** (a) *Generally.* Except as provided in par. (b), the commission shall  
5 issue an order directed to each electric utility requiring the electric utility to offer to  
6 purchase, under standard purchase terms and other conditions specified in the  
7 order, the renewable energy generated at renewable facilities within the electric  
8 utility's service territory that are constructed after the effective date of the order.

9           (b) *Exemptions.* 1. 'Small electric utilities.' In an order under par. (a) directed  
10 to a small electric utility, the commission may provide that the small electric utility  
11 is not required to purchase renewable energy generated at particular types of  
12 renewable facilities specified in the order.

13           2. 'Large electric utilities.' If the commission finds that a large electric utility's  
14 voluntary initiatives are consistent with the purpose of this section, the commission  
15 may do any of the following:

16           a. Exempt the large electric utility from the requirement under par. (a).

17           b. In an order under par. (a) directed to the large electric utility, provide that  
18 the large electric utility is not required to purchase renewable energy generated at  
19 particular types of renewable facilities specified in the order.

20           3. 'Agreements.' Notwithstanding par. (a), an electric utility may purchase  
21 renewable energy generated at a renewable facility under terms and conditions that  
22 differ from those specified in an order under par. (a) directed at the electric utility  
23 if the electric utility and owner or operator of the renewable facility mutually agree  
24 to the terms and conditions.

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1           (c) *Standard purchase terms.* An order under par. (a) directed to an electric  
2 utility shall specify the standard purchase terms that apply for each type of  
3 renewable facility, including terms for all of the following:

4           1. The price paid for renewable energy, based on the commission's consideration  
5 of all of the following:

6           a. The cost of producing renewable energy at the type of renewable facility.

7           b. A reasonable rate of return on investment for the type of renewable facility.

8           c. State and federal financial incentives, including production tax credits, that  
9 are available to owners or operators of the type of renewable facility.

10          2. A schedule of payments for the renewable energy over a sufficient period of  
11 time to allow for recovery of the construction and operation costs for the type of  
12 renewable facility.

13          3. A maximum limit on the generating capacity for the type of renewable  
14 facility.

15          (d) *Other conditions.* An order under par. (a) directed to an electric utility may  
16 include any of the following conditions:

17          1. Requirements for adjusting the standard purchase terms under par. (c)  
18 based on changes in operating costs for a type of renewable facility.

19          2. Different prices for renewable energy generated at renewable facilities of  
20 the same type that have different generating capacities.

21          3. Other conditions specified by the commission.

22          (e) *Standardized agreements.* An order under par. (a) directed to an electric  
23 utility shall prescribe for each type of renewable facility a standardized agreement  
24 that includes the standard purchase terms and other conditions applicable to the

**SENATE BILL 450****SECTION 208**

1 electric utility's purchase of renewable energy from owners or operators of the type  
2 of renewable facility.

3 **(4) PURCHASE LIMITS.** The commission may limit the requirement of an electric  
4 utility to purchase renewable energy under an order under sub. (3) (a) if the  
5 commission finds that the limit is consistent with the purpose of this section. The  
6 commission may base the limit on any of the following:

7 (a) The number of renewable facilities from which the electric utility must  
8 purchase renewable energy.

9 (b) The total installed generating capacity of the renewable facilities from  
10 which the electric utility must purchase renewable energy.

11 (c) The total amount of renewable energy that the electric utility must  
12 purchase.

13 **(5) REVIEWS.** The commission shall periodically review its orders under sub. (3)  
14 (a) and, as appropriate, revise the standardized agreements prescribed in the orders  
15 to change the standard purchase terms and other conditions. A revision under this  
16 subsection does not apply to a standardized agreement entered into by an electric  
17 utility and an owner or operator of a renewable facility before the effective date of  
18 the revision.

19 **(6) RENEWABLE RESOURCE CREDITS.** An electric utility that purchases renewable  
20 energy under an order under sub. (3) (a) acquires, in addition to the renewable  
21 energy, the renewable resource credits associated with the generation of the  
22 renewable energy, unless an agreement between the parties specifies otherwise.

23 **SECTION 209.** 196.49 (1) of the statutes is renumbered 196.49 (1r).

24 **SECTION 210.** 196.49 (1g) of the statutes is created to read:

25 196.49 **(1g)** In this section:

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1 (a) "Nuclear power plant" means a nuclear power plant, as defined in s. 196.491  
2 (1) (j), for which the commission has issued a certificate of public convenience and  
3 necessity under s. 196.491 (3) on or after the date specified in the notice published  
4 under s. 196.493 (3) (b).

5 (b) "Nuclear power plant owner or operator" means a person, other than a  
6 public utility, that owns or operates a nuclear power plant.

7 **SECTION 211.** 196.49 (2) of the statutes is amended to read:

8 196.49 (2) No public utility may begin the construction, installation, or  
9 operation of any new plant, equipment, property, or facility, nor the construction or  
10 installation of any extension, improvement, or addition to its existing plant,  
11 equipment, property, apparatus, or facilities, and no nuclear power plant owner or  
12 operator may begin the construction or installation of any extension, improvement,  
13 or addition to a nuclear power plant or equipment, property, apparatus, or facilities  
14 for a nuclear power plant, unless the public utility or nuclear power plant owner or  
15 operator has complied with any applicable rule or order of the commission. If a  
16 cooperative association has been incorporated under ch. 185 for the production,  
17 transmission, delivery or furnishing of light or power and has filed with the  
18 commission a map of the territory to be served by the association and a statement  
19 showing that a majority of the prospective consumers in the area are included in the  
20 project, no public utility may begin any such construction, installation or operation  
21 within the territory until after the expiration of 6 months from the date of filing the  
22 map and notice. If the cooperative association has entered into a loan agreement  
23 with any federal agency for the financing of its proposed system and has given  
24 written notice of the agreement to the commission, no public utility may begin any

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1 construction, installation or operation within the territory until 12 months after the  
2 date of the loan agreement.

3 **SECTION 212.** 196.49 (3) (a) of the statutes is amended to read:

4 196.49 (3) (a) In this subsection, “project” means construction of any new plant,  
5 equipment, property, or facility, or extension, improvement, or addition to its existing  
6 plant, equipment, property, apparatus, or facilities, and “project” includes  
7 construction by a nuclear power plant owner or operator of any extension,  
8 improvement, or addition to a nuclear power plant or to equipment, property,  
9 apparatus, or facilities for a nuclear power plant. The commission may require by  
10 rule or special order that a public utility or nuclear power plant owner or operator  
11 submit, periodically or at such times as the commission specifies and in such detail  
12 as the commission requires, plans, specifications, and estimated costs of any  
13 proposed project which the commission finds will materially affect the public  
14 interest.

15 **SECTION 213.** 196.49 (3) (cm) of the statutes is created to read:

16 196.49 (3) (cm) The commission may attach to the issuance of a certificate  
17 under this section for a project by a nuclear power plant owner or operator such terms  
18 and conditions that the commission determines are in the public interest. Any term  
19 or condition so attached shall apply to any successor in interest of the nuclear power  
20 plant owner or operator to whom a certificate is issued.

21 **SECTION 214.** 196.49 (4) of the statutes is amended to read:

22 196.49 (4) The commission may not issue a certificate under sub. ~~(1)~~ (1r), (2),  
23 or (3) for the construction of electric generating equipment and associated facilities  
24 unless the commission determines that brownfields, as defined in s. 560.13 (1) (a),  
25 are used to the extent practicable.



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1           **SECTION 215.** 196.49 (5m) of the statutes is created to read:

2           196.49 **(5m)** The commission shall take final action on an application for a  
3 certificate under this section for a proposed renewable facility, as defined in s.  
4 196.378 (1r) (g), within 270 days after issuing a notice to open a docket on the  
5 application. If the commission fails to take final action within the 270-day period,  
6 the commission is considered to have issued a certificate with respect to the  
7 application, unless the commission, within the 270-day period, extends the 270-day  
8 period. If the commission is required to prepare an environmental impact statement  
9 for the proposed facility, the commission may extend the 270-day period for no more  
10 than an additional 90 days, except that, if another state is required to approve the  
11 proposed facility, the commission may extend the 270-day period for no more than  
12 an additional 90 days after the other state takes final action on the proposal. If the  
13 commission fails to take final action within the extended period, the commission is  
14 considered to have issued a certificate with respect to the application.

15           **SECTION 216.** 196.49 (6) of the statutes is amended to read:

16           196.49 **(6)** If the commission finds that any public utility or nuclear power plant  
17 owner or operator has taken or is about to take an action which violates or disregards  
18 a rule or special order under this section, the commission, in its own name either  
19 before or after investigation or public hearing and either before or after issuing any  
20 additional orders or directions it deems proper, may bring an action in the circuit  
21 court of Dane County to enjoin the action. If necessary to preserve the existing state  
22 of affairs, the court may issue a temporary injunction pending a hearing upon the  
23 merits. An appeal from an order or judgment of the circuit court may be taken to the  
24 court of appeals.

**SENATE BILL 450****SECTION 217**

1           **SECTION 217.** 196.491 (1) (g) of the statutes is renumbered 196.491 (1) (g)  
2 (intro.) and amended to read:

3           196.491 (1) (g) (intro.) “Large electric generating facility” means electric any  
4 of the following:

5           1. Electric generating equipment and associated facilities designed for nominal  
6 operation at a capacity of 100 megawatts or more.

7           **SECTION 218.** 196.491 (1) (g) 2. of the statutes is created to read:

8           196.491 (1) (g) 2. A nuclear power plant. This subdivision takes effect on the  
9 date specified in the notice published under s. 196.493 (3) (b).

10          **SECTION 219.** 196.491 (1) (i) of the statutes is created to read:

11          196.491 (1) (i) 1. “Nonutility nuclear power plant” means, except as provided  
12 in subd. 2., a nuclear power plant that does not provide service to any retail customer  
13 and that is owned and operated by any of the following:

14           a. Subject to the approval of the commission under sub. (3m) (a), an affiliated  
15 interest of a public utility.

16           b. A person that is not a public utility.

17          2. “Nonutility nuclear power plant” does not include a nuclear power plant or  
18 an improvement to a nuclear power plant that is subject to a leased generation  
19 contract, as defined in s. 196.52 (9) (a) 3.

20          3. This paragraph takes effect on the date specified in the notice published  
21 under s. 196.493 (3) (b).

22          **SECTION 220.** 196.491 (1) (j) of the statutes is created to read:

23          196.491 (1) (j) “Nuclear power plant” means nuclear-fired electric generating  
24 equipment and facilities designed for nominal operation at any capacity. This

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1 paragraph takes effect on the date specified in the notice published under s. 196.493  
2 (3) (b).

3 **SECTION 221.** 196.491 (1) (w) 2. of the statutes is renumbered 196.491 (1) (w)  
4 2. (intro.) and amended to read:

5 196.491 (1) (w) 2. (intro.) “Wholesale merchant plant” does not include an any  
6 of the following:

7 a. An electric generating facility or an improvement to an electric generating  
8 facility that is subject to a leased generation contract, as defined in s. 196.52 (9) (a)  
9 3.

10 **SECTION 222.** 196.491 (1) (w) 2. b. of the statutes is created to read:

11 196.491 (1) (w) 2. b. A nonutility nuclear power plant. This subd. 2. b. takes  
12 effect on the date specified in the notice published under s. 196.493 (3) (b).

13 **SECTION 223.** 196.491 (3) (d) (intro.) of the statutes is amended to read:

14 196.491 (3) (d) (intro.) Except as provided under ~~par.~~ pars. (e) and (em) and s.  
15 196.493, the commission shall approve an application filed under par. (a) 1. for a  
16 certificate of public convenience and necessity only if the commission determines all  
17 of the following:

18 **SECTION 224.** 196.491 (3) (d) 2. of the statutes is amended to read:

19 196.491 (3) (d) 2. The proposed facility satisfies the reasonable needs of the  
20 public for an adequate supply of electric energy. This subdivision does not apply to  
21 a wholesale merchant plant and, for determinations made on or after the date  
22 specified in the notice published under s. 196.493 (3) (b), this subdivision does not  
23 apply to a nuclear power plant.

24 **SECTION 225.** 196.491 (3) (d) 3. of the statutes is amended to read:

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1           196.491 (3) (d) 3. The design and location or route is in the public interest  
2           considering alternative sources of supply, alternative locations or routes, individual  
3           hardships, engineering, economic, safety, reliability and environmental factors,  
4           except that the commission may not consider alternative sources of supply or  
5           engineering or economic factors if the application is for a wholesale merchant plant  
6           and the commission may, but is not required to, consider alternative locations if the  
7           application is for a renewable facility, as defined in s. 196.378 (1r) (g). In its  
8           consideration of environmental factors, the commission may not determine that the  
9           design and location or route is not in the public interest because of the impact of air  
10          pollution if the proposed facility will meet the requirements of ch. 285.

11          **SECTION 226.** 196.491 (3) (em) of the statutes is created to read:

12          196.491 (3) (em) For an application under par. (a) 1. regarding a nuclear power  
13          plant, the commission may issue the certificate of public convenience and necessity  
14          subject to any conditions that the commission determines are in the public interest.  
15          Any conditions imposed by the commission under this paragraph shall apply to any  
16          successor in interest of the applicant. This paragraph first applies to certificates of  
17          public convenience and necessity issued by the commission on or after the date  
18          specified in the notice published under s. 196.493 (3) (b).

19          **SECTION 227.** 196.491 (3) (g) of the statutes is amended to read:

20          196.491 (3) (g) The commission shall take final action on an application filed  
21          under par. (a) 1. within 180 days after the application is determined or considered  
22          to be complete under par. (a) 2. If the commission fails to take final action within the  
23          180-day period, the commission is considered to have issued a certificate of public  
24          convenience and necessity with respect to the application, unless the commission,  
25          within the 180-day period, petitions the circuit court for Dane County for an

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1 extension of time for taking final action on the application and the court grants an  
2 extension. Upon a showing of good cause, the court may extend the 180-day period  
3 for no more than an additional 180 days, except that, beginning on the date specified  
4 in the notice published under s. 196.493 (3) (b), the court may extend the 180-day  
5 period for an additional 360 days if the application is for a nuclear power plant. If  
6 the commission fails to take final action within the extended period, the commission  
7 is considered to have issued a certificate of public convenience and necessity with  
8 respect to the application.

9 **SECTION 228.** 196.491 (3m) (title) of the statutes is amended to read:

10 196.491 (3m) (title) **WHOLESALE MERCHANT AND NONUTILITY NUCLEAR POWER**  
11 **PLANTS.**

12 **SECTION 229.** 196.491 (3m) (a) (intro.) of the statutes is amended to read:

13 196.491 (3m) (a) *Commission approval required.* (intro.) Except as provided  
14 in par. (e), an affiliated interest of a public utility may not own, control or operate a  
15 wholesale merchant or nonutility nuclear power plant without the approval of the  
16 commission. The commission shall grant its approval only if each of the following is  
17 satisfied:

18 **SECTION 230.** 196.491 (3m) (b) 1. am. of the statutes is amended to read:

19 196.491 (3m) (b) 1. am. Establish screening tests and safe harbors for proposed  
20 wholesale merchant and nonutility nuclear power plant projects, including projects  
21 in which an affiliated interest is a passive investor and over which the affiliated  
22 interest is not able to exercise control or influence and projects in which an affiliated  
23 interest's ownership interest is less than 5%.

24 **SECTION 231.** 196.491 (3m) (b) 3. b. of the statutes is amended to read:

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1           196.491 (3m) (b) 3. b. The extent of control that the affiliated interest proposes  
2 to exercise over the wholesale merchant or nonutility nuclear power plant.

3           **SECTION 232.** 196.491 (3m) (c) 1. a. of the statutes is amended to read:

4           196.491 (3m) (c) 1. a. “Electric sale” means a sale of electricity that is generated  
5 at a wholesale merchant or nonutility nuclear power plant that is owned, operated  
6 or controlled by an affiliated interest.

7           **SECTION 233.** 196.491 (3m) (d) of the statutes is renumbered 196.491 (3m) (d)  
8 (intro.) and amended to read:

9           196.491 (3m) (d) *Retail sales outside this state.* (intro.) The commission may  
10 not promulgate rules or issue orders that prohibit owners or operators of ~~wholesale~~  
11 ~~merchant plants~~ any of the following from providing electric service to retail  
12 customers in another state.;

13           **SECTION 234.** 196.491 (3m) (d) 1. of the statutes is created to read:

14           196.491 (3m) (d) 1. Wholesale merchant plants.

15           **SECTION 235.** 196.491 (3m) (d) 2. of the statutes is created to read:

16           196.491 (3m) (d) 2. Nuclear power plants for which the commission has issued  
17 a certificate of public convenience and necessity under sub. (3) before the date  
18 specified in the notice published under s. 196.493 (3) (b).

19           **SECTION 236.** 196.491 (5) of the statutes is renumbered 196.491 (5) (c).

20           **SECTION 237.** 196.491 (5) (am) of the statutes is created to read:

21           196.491 (5) (am) In this subsection, “nuclear power plant” means a nuclear  
22 power plant for which the commission has issued a certificate of public convenience  
23 and necessity under sub. (3) on or after the date specified in the notice published  
24 under s. 196.493 (3) (b).

25           **SECTION 238.** 196.491 (5) (c) 1. am. of the statutes is created to read:

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1           196.491 (5) (c) 1. am. Nuclear power plants in this state that are not owned or  
2           operated by public utilities, or that provide service to persons that are not public  
3           utilities under contracts with terms of 5 years or more.

4           **SECTION 239.** 196.491 (5) (c) 2. bm. of the statutes is created to read:

5           196.491 (5) (c) 2. bm. Nuclear power plants in this state that are not owned or  
6           operated by public utilities, or that provide service to persons that are not public  
7           utilities under contracts with terms of 5 years or more.

8           **SECTION 240.** 196.493 (title) of the statutes is amended to read:

9           **196.493** (title) ~~Construction of nuclear~~ **Nuclear power plants limited.**

10          **SECTION 241.** 196.493 (1) of the statutes is renumbered 196.493 (1r) (intro.) and  
11          amended to read:

12          196.493 (1r) ~~DEFINITION~~ DEFINITIONS. (intro.) In this section, ~~“nuclear:~~  
13          (ar) Except as provided in par. (b), “nuclear power plant” means a nuclear-fired  
14          large electric generating facility as defined under s. 196.491 (1) (g). This paragraph  
15          does not apply beginning on the date specified in the notice published under sub. (3)  
16          (b).

17          **SECTION 242.** 196.493 (1g) of the statutes is created to read:

18          196.493 (1g) **LEGISLATIVE FINDINGS.** The legislature finds all of the following:

19          (a) The state retains its authority under the United States constitution to  
20          exercise its police power to protect public health, safety, and welfare.

21          (b) Determining the need for the construction of electric generating facilities  
22          and controlling land use, including the siting of new or expanded electric generating  
23          facilities, is primarily and traditionally a matter of state interest and under state  
24          control.

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1           (c) The state has a particular and unique interest in determining the need for  
2 and siting of nuclear power plants, given the size, cost, and environmental and safety  
3 issues associated with these plants and the resulting economic impact on the state.

4           (d) As of the effective date of this paragraph .... [LRB inserts date], the federal  
5 government has failed to meet its obligation to implement a policy to provide for the  
6 safe and effective disposal of spent nuclear fuel from nuclear power plants. This  
7 situation has and will continue to lead to the long-term storage of spent nuclear fuel  
8 at the sites of nuclear power plants resulting in increased risk of exposure to  
9 accidental releases of radioactive materials from the handling and storage of the  
10 spent nuclear fuel and increased expenses for local and state governments providing  
11 emergency response services to the nuclear power plants.

12           (e) While the recent safety record of the nuclear power industry is good and the  
13 likelihood of an accident at a new or expanded nuclear power plant resulting in a  
14 major release of radioactive materials is low, if such an accident were to occur, its  
15 effects could be catastrophic to the health and safety of the people of Wisconsin, the  
16 economic well-being of Wisconsin, and the natural resources of Wisconsin.

17           (f) To limit the risks associated with the long-term storage of spent nuclear fuel  
18 at the sites of nuclear power plants and with the operation of nuclear power plants,  
19 it is necessary that Wisconsin adopt policies that limit the number of new or  
20 expanded nuclear power plants constructed in the state.

21           (g) To distribute the risks associated with the long-term storage of spent  
22 nuclear fuel at the sites of nuclear power plants and with the operation of nuclear  
23 power plants, it is necessary that Wisconsin adopt policies that encourage the siting  
24 of nuclear power plants relatively close to the demand for the electricity produced by  
25 the plants.



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1 (h) To offset the risks associated with the long-term storage of spent nuclear  
2 fuel at the sites of nuclear power plants and with the operation of nuclear power  
3 plants, it is necessary that Wisconsin adopt policies that ensure citizens of the state  
4 will receive the maximum benefits from any new or expanded nuclear power plants  
5 constructed in the state.

6 (i) The most effective policy to achieve the objectives in pars. (f) to (h) is to  
7 require that the entire output from any new or expanded nuclear power plant  
8 constructed in the state will be needed and used to meet the expected requirements  
9 for electricity of electric utility ratepayers or members of electric cooperatives in the  
10 state.

11 **SECTION 243.** 196.493 (1r) (ag) of the statutes is created to read:

12 196.493 (1r) (ag) "Electric cooperative" means a cooperative association that  
13 is organized under ch. 185 for the purpose of providing electricity at retail or  
14 wholesale to its members only.

15 **SECTION 244.** 196.493 (1r) (b) of the statutes is created to read:

16 196.493 (1r) (b) "Nuclear power plant" has the meaning given in s. 196.491 (1)  
17 (j). This paragraph takes effect on the date specified in the notice published under  
18 sub. (3) (b).

19 **SECTION 245.** 196.493 (2) (intro.) of the statutes is renumbered 196.493 (2) (am)  
20 (intro.) and amended to read:

21 196.493 (2) (am) (intro.) The commission may not certify under s. 196.49 (3) (b)  
22 or 196.491 (3) any nuclear power plant unless the commission finds that all of the  
23 following:

24 **SECTION 246.** 196.493 (2) (a) of the statutes is renumbered 196.493 (2) (am) 1.  
25 and amended to read:

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1           196.493 (2) (am) 1. A federally licensed facility, or a facility outside of the  
2 United States which the commission determines will satisfy the public welfare  
3 requirements of the people of this state, with adequate capacity to dispose of  
4 high-level nuclear waste from all nuclear power plants operating in this state will  
5 be available, as necessary, for disposal of the waste; ~~and. This subdivision does not~~  
6 apply to certifications made on or after the date specified in the notice published  
7 under sub. (3) (b).

8           **SECTION 247.** 196.493 (2) (am) 1m. of the statutes is created to read:

9           196.493 (2) (am) 1m. The plan for managing the nuclear waste from the  
10 proposed nuclear power plant is economic, reasonable, stringent, and in the public  
11 interest, given the safety and other risks presented by the waste. This subdivision  
12 first applies to certifications made on the date specified in the notice published under  
13 sub. (3) (b).

14           **SECTION 248.** 196.493 (2) (am) 2. c. of the statutes is created to read:

15           196.493 (2) (am) 2. c. The benefits to the state and the environment resulting  
16 from reductions of air pollutant emissions from the proposed nuclear power plant  
17 compared to emissions from feasible alternatives. This subd. 2. c. first applies to  
18 certifications made on or after the date specified in the notice published under sub.  
19 (3) (b).

20           **SECTION 249.** 196.493 (2) (am) 3. of the statutes is created to read:

21           196.493 (2) (am) 3. For certifications made on or after the date specified in the  
22 notice published under sub. (3) (b), the proposed nuclear power plant will provide  
23 electricity to ratepayers or members of electric cooperatives in this state at a  
24 reasonable cost based upon all of the following:

25           a. The existence of a reliable and adequate nuclear fuel supply.

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1           b. The costs for construction, operation, and decommissioning of nuclear power  
2 plants and for nuclear waste disposal.

3           c. Any other factor having an impact on the economics of nuclear power plants,  
4 as determined by the commission.

5           **SECTION 250.** 196.493 (2) (am) 4. of the statutes is created to read:

6           196.493 (2) (am) 4. For certifications made on or after the date specified in the  
7 notice published under sub. (3) (b), the entire output of electricity produced by the  
8 proposed nuclear power plant will be needed and used to meet the expected  
9 requirements for electricity of ratepayers or members of electric cooperatives in this  
10 state and the applicant demonstrates to the commission's satisfaction that the  
11 output will be needed and used for this purpose.

12           **SECTION 251.** 196.493 (2) (b) (intro.) of the statutes is renumbered 196.493 (2)  
13 (am) 2. (intro.) and amended to read:

14           196.493 (2) (am) 2. (intro.) The Except as provided in par. (c), the proposed  
15 nuclear power plant, in comparison with feasible alternatives, is economically  
16 advantageous to ratepayers, based upon all of the following:

17           **SECTION 252.** 196.493 (2) (b) 1. of the statutes is renumbered 196.493 (2) (am)  
18 2. a. and amended to read:

19           196.493 (2) (am) 2. a. The existence of a reliable and adequate nuclear fuel  
20 supply;

21           **SECTION 253.** 196.493 (2) (b) 2. of the statutes is renumbered 196.493 (2) (am)  
22 2. b. and amended to read:

23           196.493 (2) (am) 2. b. The costs for construction, operation and  
24 decommissioning of nuclear power plants and for nuclear waste disposal; and,

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1           **SECTION 254.** 196.493 (2) (b) 3. of the statutes is renumbered 196.493 (2) (am)  
2           2. d.

3           **SECTION 255.** 196.493 (2) (c) of the statutes is created to read:

4           196.493 (2) (c) For certifications made on or after the date specified in the notice  
5           published under sub. (3) (b), the commission shall make the finding under par. (am)  
6           2. based on economic advantages to ratepayers or members of electric cooperatives  
7           in this state.

8           **SECTION 256.** 196.493 (3) of the statutes is created to read:

9           196.493 (3) REGISTER PUBLICATION. (a) The commission shall determine all of  
10          the following:

11          1. The effective dates of all rules promulgated by the commission, and all orders  
12          issued by the commission, that are necessary to initially implement the changes to  
13          s. 196.378 by 2009 Wisconsin Act ... (this act), and other related statutory changes  
14          made by that act.

15          2. The effective dates of all rules promulgated by the commission, and all orders  
16          issued by the commission, that are necessary to initially implement the changes to  
17          s. 196.374 by 2009 Wisconsin Act ... (this act), and other related statutory changes  
18          made by that act.

19          (b) The commission shall publish a notice in the Wisconsin Administrative  
20          Register specifying the first date on which all of the rules and orders described in par.  
21          (a) are in effect.

22          **SECTION 257.** 196.493 (4) of the statutes is created to read:

23          196.493 (4) DECOMMISSIONING. The commission may by order specify the  
24          method for an owner or operator of a nuclear power plant to provide reasonable  
25          assurance that funds in an amount determined by the commission will be available

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1 to decommission the plant and to dispose of spent nuclear fuel from the plant, and  
2 require the owner or operator to provide such assurance. This subsection applies to  
3 a nuclear power plant for which the commission issues a certificate of public  
4 convenience and necessity under s. 196.491 (3) on or after the date specified in the  
5 notice published under sub. (3) (b).

6 **SECTION 258.** 196.494 (1) (a) of the statutes is amended to read:

7 196.494 (1) (a) “Electric utility” means a public utility, other than a municipal  
8 utility, ~~as defined in s. 196.377 (2) (a) 3.,~~ that provides retail electric service to  
9 customers in this state.

10 **SECTION 259.** 196.494 (1) (am) of the statutes is created to read:

11 196.494 (1) (am) “Municipal utility” means a public utility that is a city, village,  
12 or town or that is wholly owned or operated by a city, village, or town.

13 **SECTION 260.** 196.52 (9) (g) of the statutes is amended to read:

14 196.52 (9) (g) Nothing in this subsection prohibits a cooperative association  
15 organized under ch. 185, a municipal utility, as defined in s. ~~196.377 (2) (a) 3.~~ 196.494  
16 (1) (am), or a municipal electric company, as defined in s. 66.0825 (3) (d), from  
17 acquiring an interest in an electric generating facility that is constructed pursuant  
18 to a leased generation contract or from acquiring an interest in land on which such  
19 an electric generating facility is located.

20 **SECTION 261.** 196.65 (1) of the statutes is renumbered 196.65 (1r).

21 **SECTION 262.** 196.65 (1g) of the statutes is created to read:

22 196.65 (1g) In this section, “public utility” includes all of the following:

23 (a) The owner or operator of a nuclear power plant, as defined in s. 196.491 (1)  
24 (j), for which the commission has issued a certificate of public convenience and

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1 necessity under s. 196.491 (3) on or after the date specified in the notice published  
2 under s. 196.493 (3) (b).

3 (b) A prime supplier, as defined in s. 196.374 (1) (ig).

4 **SECTION 263.** 196.65 (2) of the statutes is amended to read:

5 196.65 (2) A penalty of not less than \$500 nor more than \$5,000 shall be  
6 recovered from the public utility for each offense under sub. ~~(1)~~ (1r) if the officer,  
7 agent or employee of the public utility acted in obedience to the direction, instruction  
8 or request of the public utility or any general officer of the public utility.

9 **SECTION 264.** 196.66 (1) of the statutes is renumbered 196.66 (1r).

10 **SECTION 265.** 196.66 (1g) of the statutes is created to read:

11 196.66 (1g) DEFINITIONS. In this section, “public utility” includes all of the  
12 following:

13 (a) The owner or operator of a nuclear power plant, as defined in s. 196.491 (1)  
14 (j), for which the commission has issued a certificate of public convenience and  
15 necessity under s. 196.491 (3) on or after the date specified in the notice published  
16 under s. 196.493 (3) (b).

17 (b) A prime supplier, as defined in s. 196.374 (1) (ig).

18 **SECTION 266.** 196.66 (2) of the statutes is amended to read:

19 196.66 (2) EACH DAY SEPARATE OFFENSE. Every day during which any public  
20 utility or any officer, agent, as defined in sub. (3) (a), or employee of a public utility  
21 fails to comply with any order or direction of the commission or to perform any duty  
22 enjoined by this chapter or ch. 197 shall constitute a separate and distinct violation  
23 under sub. ~~(1)~~ (1r). If the order is suspended, stayed or enjoined, this penalty shall  
24 not accrue.

25 **SECTION 267.** 196.66 (4) (b) of the statutes is amended to read:

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1           196.66 (4) (b) If a public utility fails to comply with any rule, order or direction  
2 of the commission after actual receipt by the public utility of written notice from the  
3 commission specifying the failure, the maximum forfeiture under sub. (1) (1r) shall  
4 be \$15,000.

5           **SECTION 268.** 196.795 (6m) (a) 4m. of the statutes is created to read:

6           196.795 (6m) (a) 4m. “Nonutility nuclear power plant” means a nonutility  
7 nuclear power plant, as defined in s. 196.491 (1) (i), that is located in the reliability  
8 council area and that is owned, operated, or controlled by an affiliated interest of a  
9 public utility. This subdivision takes effect on the date specified in the notice  
10 published under s. 196.493 (3) (b).

11           **SECTION 269.** 196.795 (6m) (cm) of the statutes is created to read:

12           196.795 (6m) (cm) *Nonutility nuclear power plants.* The assets of a nonutility  
13 nuclear power plant shall not be included in the sum of the assets of a public utility  
14 affiliate under par. (b) 1. a., b., or c. and shall not be included in a nonutility affiliate’s  
15 total assets under par. (b) 2. a. if the requirements specified in s. 196.491 (3m) (a) 1.  
16 and 2. are satisfied. This paragraph takes effect on the date specified in the notice  
17 published under s. 196.493 (3) (b).

18           **SECTION 270.** 196.795 (11) (b) of the statutes is amended to read:

19           196.795 (11) (b) This section shall be deemed to legalize and confirm the  
20 formation, prior to November 28, 1985, of any holding company, which is not itself  
21 a public utility, and shall be deemed to legalize and confirm the operations and  
22 issuances of securities of the holding company, except that nothing in this section  
23 shall be deemed to prevent the commission from imposing reasonable terms,  
24 limitations or conditions on any holding company which are consistent with the  
25 requirements of sub. (6m) (c) ~~or~~ to (d) or which are consistent with and necessary to

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1 satisfy the requirements of sub. (5) (b) to (o) and (q) to (s) or which relate to future  
2 investments by the holding company unless the holding company owns, operates,  
3 manages or controls a telecommunications utility and does not also own, operate,  
4 manage or control a public utility which is not a telecommunications utility.

5 **SECTION 271.** 196.80 (1r) of the statutes is created to read:

6 196.80 (1r) (a) In this subsection, “nuclear power plant” means a nuclear power  
7 plant, as defined in s. 196.491 (1) (j), for which the commission has issued a certificate  
8 of public convenience and necessity under s. 196.491 (3) on or after the date specified  
9 in the notice published under s. 196.493 (3) (b).

10 (b) With the consent and approval of the commission but not otherwise an  
11 owner or operator of a nuclear power plant may sell, acquire, lease, or rent any  
12 nuclear power plant or property constituting an operating unit or system of a nuclear  
13 power plant.

14 **SECTION 272.** 196.85 (1m) (a) of the statutes is amended to read:

15 196.85 (1m) (a) For the purpose of direct assessment under sub. (1) of expenses  
16 incurred by the commission in connection with its activities under s. 196.491, the  
17 term “public utility” includes electric utilities, as defined in s. 196.491 (1) (d).  
18 Subsection (1) (b) does not apply to assessments for the commission’s activities under  
19 s. 196.491 related to the construction of wholesale merchant plants, as defined in s.  
20 196.491 (1) (w) or, beginning on the date specified in the notice published under s.  
21 196.493 (3) (b), related to the construction of nonutility nuclear power plants, as  
22 defined in s. 196.491 (1) (i).

23 **SECTION 273.** 196.85 (1m) (e) of the statutes is created to read:

24 196.85 (1m) (e) For the purpose of direct assessment under sub. (1) of expenses  
25 incurred by the commission in connection with its activities under s. 196.374, the



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1 term “public utility” includes retail electric cooperatives, as defined in s. 196.374 (1)  
2 (L), and prime suppliers, as defined in s. 196.374 (1) (ig).

3 **SECTION 274.** 285.30 (2) (intro.) of the statutes is amended to read:

4 285.30 (2) LIMITATIONS. (intro.) The department shall adopt rules specifying  
5 emissions limitations for all, applicable to motor vehicles not exempted under sub.  
6 (5) that are not subject to the emissions limitations under s. 285.305, for the purposes  
7 of the motor vehicle emission inspection and maintenance program under s. 110.20.  
8 The limitations specified under this subsection may be different for each size, type  
9 and year of vehicle engine affected and may not be more stringent than those  
10 required by federal law at the time of the vehicle’s manufacture. The limitations  
11 shall be adopted and periodically revised upon consideration of the following factors:

12 **SECTION 275.** 285.30 (5) of the statutes is renumbered 110.20 (14m), and 110.20  
13 (14m) (intro.), as renumbered, is amended to read:

14 110.20 (14m) EXEMPTIONS. (intro.) ~~Emissions limitations promulgated under~~  
15 ~~sub. (2) do not apply to the~~ The following motor vehicles are exempt from the  
16 inspection requirement under sub. (6):

17 **SECTION 276.** 285.305 of the statutes is created to read:

18 **285.305 Greenhouse gas and other motor vehicle emission limitations.**

19 (1) The department shall promulgate rules specifying statewide emission  
20 limitations, for passenger cars, light-duty trucks, and medium-duty vehicles that  
21 are passenger vehicles and have gross vehicle weights of 10,000 pounds or less, that  
22 are identical to the California greenhouse gas emission standards and other  
23 emission standards applicable to those vehicles, under Division 3 of Title 13 of the  
24 California Code of Regulations, other than the standards for zero emission vehicles,

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1 and shall amend the rules as necessary to maintain consistency with the California  
2 standards.

3       (2) The department may promulgate rules specifying statewide emission  
4 limitations for motor vehicles that are identical to the California emission standards  
5 for zero emission vehicles, under Division 3 of Title 13 of the California Code of  
6 Regulations, if the department determines that adopting those emission limitations  
7 would be an effective and efficient part of this state’s strategy for meeting the  
8 greenhouse gas emission reduction goals under s. 299.03 (2). If the department  
9 promulgates rules under this subsection, it shall amend the rules as necessary to  
10 maintain consistency with the California standards.

11       (3) The department shall ensure that rules promulgated under this section  
12 comply with 42 USC 7507 (2). Rules promulgated under this section do not apply  
13 before the administrator of the federal environmental protection agency grants a  
14 waiver under 42 USC 7543 (b) for the California standards.

15       (4) The department shall study any greenhouse gas emission reduction  
16 regulations for motor vehicles, other than passenger cars, light-duty trucks, and  
17 medium-duty vehicles that are passenger vehicles and have gross vehicle weights  
18 of 10,000 pounds or less, that California adopts after October 1, 2009. The  
19 department shall report the results of a study under this subsection, including its  
20 conclusion regarding whether adopting the California regulations would be an  
21 effective and efficient part of this state’s strategy for meeting the greenhouse gas  
22 emission reduction goals under s. 299.03 (2), to the standing committees of the  
23 legislature with jurisdiction over environmental matters under s. 13.172 (3) no later  
24 than the first day of the 7th month beginning after the effective date of this

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1 subsection .... [LRB inserts date], or beginning after California adopts a regulation,  
2 whichever is later.

3 **SECTION 277.** 285.60 (11) of the statutes is created to read:

4 **285.60 (11) REDUCING GREENHOUSE GAS EMISSIONS.** As part of its continual  
5 assessment under sub. (10) in 2010 and 2011, the department shall develop and  
6 implement measures to lessen permit obligations under this section and ss. 281.61  
7 to 281.65 for the construction, reconstruction, replacement, or modification of a  
8 stationary source if all of the following apply:

9 (a) The owner or operator of the stationary source is not required to obtain a  
10 major source construction permit for the proposed project.

11 (b) The construction, reconstruction, replacement, or modification would  
12 significantly reduce emissions of greenhouse gasses, as defined in s. 299.03 (1) (d).

13 (c) The proposed project satisfies other requirements specified by the  
14 department by rule.

15 **SECTION 278.** 285.795 of the statutes is created to read:

16 **285.795 Low carbon fuel standard. (1) DEFINITIONS.** In this section:

17 (a) “Carbon dioxide equivalent” has the meaning given in s. 299.03 (1) (b).

18 (b) “Carbon intensity” means the average amount of greenhouse gases emitted,  
19 measured as carbon dioxide equivalent, during the production, distribution, and use  
20 of a fuel per unit of energy produced by the fuel.

21 (c) “Greenhouse gas” has the meaning given in s. 299.03 (1) (d).

22 (d) “Low Carbon Fuel Standard Advisory Group” means the body established  
23 by the Midwestern Governors Association in 2009 to make recommendations on the  
24 design of state low carbon fuel standards.

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1           **(2) RULE.** If the Low Carbon Fuel Standard Advisory Group makes  
2 recommendations on the design of state low carbon fuel standards and the  
3 recommendations are endorsed by the governors of a majority of the states whose  
4 governors endorsed the Midwestern Governors Association Energy Security and  
5 Climate Stewardship Platform at the Midwestern Energy Security and Climate  
6 Stewardship Summit on November 15, 2007, including the governor of this state, the  
7 department shall promulgate a rule, consistent with the recommendations,  
8 requiring a reduction in the carbon intensity of transportation fuels sold in this state  
9 below the carbon intensity of transportation fuels sold in this state as of a date  
10 specified in the rule.

11           **(3) COOPERATION WITH OTHER STATES.** If the department promulgates a rule  
12 under sub. (2), it shall cooperate with other states in effectuating the requirements  
13 under the rule, including cooperating with other states in operating a regional  
14 system for trading credits that may be used to comply with the requirements under  
15 the rule.

16           **(4) CONSULTATION REQUIRED.** If the department promulgates a rule under sub.  
17 (2), the department shall consult with the department of agriculture, trade and  
18 consumer protection, the department of commerce, the public service commission,  
19 the office of energy independence, and the University of Wisconsin-Extension in  
20 determining the carbon intensities for different types of transportation fuels  
21 necessary to implement the rule.

22           **(5) COLLECTION OF INFORMATION.** (a) If the department promulgates a rule  
23 under sub. (2), the department shall consult with the department of agriculture,  
24 trade and consumer protection, the department of commerce, the department of  
25 revenue, the public service commission, and the office of energy independence to

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1 determine the method of collecting information needed to implement and enforce the  
2 rule under sub. (2) that is most cost-effective for state government and least  
3 burdensome for the persons subject to the reporting requirements.

4 (b) If an agency with which the department is required to consult under par.  
5 (a) has the authority under other law to collect information needed to implement and  
6 enforce a rule under sub. (2), the department may enter into an agreement with the  
7 agency to have the agency collect the information.

8 (c) The department of revenue may collect information needed to implement  
9 and enforce a rule under sub. (2) in the reports under s. 78.12 (1) to (3).

10 **(6) PENALTIES.** (a) Any person who sells a transportation fuel in violation of a  
11 rule promulgated under sub. (2) shall forfeit not more than \$5,000 for each violation.

12 (b) Any person who fails to provide information requested by a state agency  
13 under sub. (2) or (5) shall forfeit not more than \$1,000 for each violation.

14 (c) Each sale in violation of a rule promulgated under sub. (2) and each failure  
15 to provide information requested under sub. (2) or (5) constitutes a separate offense,  
16 and each day of continued violation is a separate offense.

17 (e) A court imposing a forfeiture under par. (a) or (b) shall consider all of the  
18 following in determining the amount of the forfeiture:

19 1. The appropriateness of the amount of the forfeiture considering the volume  
20 of business of the person subject to the forfeiture.

21 2. The gravity of the violation.

22 3. Any good faith attempt to achieve compliance after the person receives notice  
23 of the violation.

24 **SECTION 279.** 285.87 (1) of the statutes is amended to read:

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1           285.87 (1) Except as provided in s. 285.57 (5) ~~or~~, 285.59 (8), or 285.795 (6), any  
2 person who violates this chapter or any rule promulgated, any permit issued or any  
3 special order issued under this chapter shall forfeit not less than \$10 or more than  
4 \$25,000 for each violation. Each day of continued violation is a separate offense.

5           **SECTION 280.** 285.87 (2) (a) of the statutes is amended to read:

6           285.87 (2) (a) Except as provided in par. (b), any person who intentionally  
7 commits an act that violates, or fails to perform an act required by this chapter,  
8 except s. 285.59 or 285.795, or any rule promulgated, any permit issued or any special  
9 order issued under this chapter, except s. 285.59 or 285.795, shall be fined not more  
10 than \$25,000 per day of violation or imprisoned for not more than 6 months or both.

11           **SECTION 281.** 292.75 (5) of the statutes is renumbered 292.75 (5) (a).

12           **SECTION 282.** 292.75 (5) (a) 2m. of the statutes is created to read:

13           292.75 (5) (a) 2m. Whether the project is a qualifying project under sub. (5m).

14           **SECTION 283.** 292.75 (5) (b) of the statutes is created to read:

15           292.75 (5) (b) The department may give greater weight to the criterion under  
16 par. (a) 2m. than to the other criteria under par. (a) in determining whether to award  
17 a grant.

18           **SECTION 284.** 292.75 (5m) of the statutes is created to read:

19           292.75 (5m) **QUALIFYING PROJECTS.** A proposed project is a qualifying project for  
20 the purposes of subs. (5) (a) 2m. and (7) (b) if the project will result in a reduction of  
21 travel, energy use, or emissions of greenhouse gases, as defined in s. 299.03 (1) (d),  
22 or if one of the following applies:

23           (a) The eligible site or facility is located in an area that is designated for  
24 traditional neighborhood development, as defined in s. 66.1027 (1) (c), in a

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1 comprehensive plan adopted under s. 66.1001 and at least one of the following  
2 applies:

3 1. The area is surrounded by or is adjacent to existing development.

4 2. The area is within a sewer service territory in the sewer service area  
5 provisions of an areawide water quality management plan under s. 283.83 approved  
6 by the department.

7 3. The area consists primarily of blighted properties.

8 4. The area meets other criteria, specified by the department by rule, designed  
9 to ensure that the project reduces greenhouse gas emissions.

10 (b) The city, village, town, or county in which the eligible site or facility is  
11 located has adopted the design standards under s. 101.027 (4) and the eligible site  
12 or facility is in an area that is subject to the design standards.

13 (c) All of the following apply:

14 1. The eligible site or facility is located in an area that is subject to either a  
15 charter under s. 299.83 (7e) issued to an association of entities that includes the city,  
16 village, town, or county in which the area is located or a participation contract under  
17 s. 299.83 (6) entered into by the city, village, town, or county in which the area is  
18 located.

19 2. The department determines, in consultation with the department of  
20 commerce, the department of administration, the public service commission, and the  
21 office of energy independence, that implementation of the charter or the  
22 participation contract is likely to result in significant reductions in emissions of  
23 greenhouse gases, as defined in s. 299.03 (1) (d), or in energy use by public or private  
24 entities within the city, village, town, or county.

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1 (d) The eligible site or facility is located in a city, village, town, or county that  
2 participates in tier I under s. 299.83 (3), the area in which the eligible site or facility  
3 is located is affected by the participation in tier I, and the department of natural  
4 resources determines, in consultation with the department of commerce, the  
5 department of administration, the public service commission, and the office of energy  
6 independence, that the participation in tier I is likely to result in significant  
7 reductions in emissions of greenhouse gases, as defined in s. 299.03 (1) (d), or in  
8 energy use by public or private entities within the city, village, town, or county.

9 **SECTION 285.** 292.75 (7) of the statutes is renumbered 292.75 (7) (a) and  
10 amended to read:

11 292.75 (7) (a) The Except as provided under par. (b), the department may not  
12 distribute a grant unless the applicant contributes matching funds equal to ~~20%~~ 20  
13 percent of the grant. Matching funds may be in the form of cash or in-kind  
14 contribution or both.

15 **SECTION 286.** 292.75 (7) (b) of the statutes is created to read:

16 292.75 (7) (b) The department may promulgate a rule that specifies a minimum  
17 contribution of matching funds by an applicant that is less than 20 percent of a grant  
18 for a project if the project is a qualifying project under sub. (5m).

19 **SECTION 287.** 299.03 of the statutes is created to read:

20 **299.03 Greenhouse gas emission goals. (1) DEFINITIONS.** In this section:

21 (a) “Annual net greenhouse gas emissions” means the amount of greenhouse  
22 gasses, measured as tons of carbon dioxide equivalent, emitted to the atmosphere by  
23 all sources and activities in this state in a year minus the amount of greenhouse  
24 gasses, measured as tons of carbon dioxide equivalent, removed from the atmosphere



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1 by all sources and activities, including by carbon sequestration, in this state in the  
2 year.

3 (b) "Carbon dioxide equivalent" means the amount of carbon dioxide that has  
4 the equivalent radiative effect as a specified amount of a greenhouse gas, calculated  
5 by multiplying the specified amount of the greenhouse gas by its global warming  
6 potential.

7 (bm) "Carbon sequestration" means the long-term storage of carbon in water  
8 bodies, soil, vegetation, or geologic formations.

9 (c) "Global warming potential" means the relative radiative effect of a  
10 greenhouse gas compared to the radiative effect of carbon dioxide.

11 (d) "Greenhouse gas" means carbon dioxide, methane, nitrous oxide, sulphur  
12 hexafluoride, nitrogen trifluoride, a hydrofluorocarbon, a perfluorocarbon, or any  
13 other gas identified by the department under sub. (4).

14 (dm) "Radiative effect" means the capability of a gas in the atmosphere to  
15 absorb infrared radiation that is emitted from the earth's surface.

16 (e) "Renewable energy generation" means the generation of energy using a  
17 renewable resource, as defined in s. 196.374 (1) (j).

18 (f) "Zero net energy building" means one of the following:

19 1. A building that annually, based on a 3-year average, uses no more energy  
20 than is provided by on-site renewable energy generation.

21 2. One of 2 or more buildings that have an integrated system of energy supply  
22 and use and that together annually, based on a 3-year average, use no more energy  
23 than is provided by renewable energy generation that is part of the integrated  
24 system.

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1           **(2) GREENHOUSE GAS EMISSION REDUCTION GOALS.** (a) It is the goal of this state  
2 that annual net greenhouse gas emissions in 2014 are no greater than annual net  
3 greenhouse gas emissions in 2005.

4           (b) It is the goal of this state that annual net greenhouse gas emissions in 2022  
5 are at least 22 percent less than annual net greenhouse gas emissions in 2005.

6           (c) It is the goal of this state that annual net greenhouse gas emissions in 2050  
7 and each year thereafter are at least 75 percent less than annual net greenhouse gas  
8 emissions in 2005.

9           (d) It is the goal of this state to make continuous progress in reducing net  
10 greenhouse gas emissions in order to achieve the goals in pars. (a), (b), and (c).

11           **(3) NEW BUILDING ENERGY USE GOAL.** It is the goal of this state that, by 2030, all  
12 newly constructed residential and commercial buildings are zero net energy  
13 buildings.

14           **(3m) STATEWIDE ENERGY CONSERVATION GOALS.** (a) *Electricity.* It is the goal of  
15 this state to reduce the statewide consumption of electricity in each year by an  
16 amount not less than the product of the public service commission's projection of the  
17 statewide consumption of electricity for the year and the following percentages:

18           1. In 2011, 1 percent.

19           2. In 2012, 1.25 percent.

20           3. In 2013, 1.5 percent.

21           4. In 2014, 1.75 percent.

22           5. In 2015 and each year thereafter, 2 percent.

23           (b) *Liquefied petroleum gas, heating oil, and natural gas.* It is the goal of this  
24 state to reduce the statewide consumption of liquefied petroleum gas, heating oil, and  
25 natural gas in each year by an amount not less than the product of the public service

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1 commission's projection of statewide consumption of liquified petroleum gas, heating  
2 oil, and natural gas for the year and the following percentages:

- 3 1. In 2011, 0.5 percent.
- 4 2. In 2012, 0.75 percent.
- 5 3. In 2013 and each year thereafter, 1 percent.

6 **(4) RULE MAKING.** The department may promulgate rules identifying additional  
7 gasses as greenhouse gasses.

8 **(5) INFORMATION AND ANALYSES.** (a) *Emission and sequestration information.*  
9 The department shall periodically collect or estimate information concerning all of  
10 the following:

11 1. Amounts of greenhouse gas emissions from sectors of this state's economy,  
12 including from stationary and mobile sources of greenhouse gas emissions, and from  
13 natural systems in this state associated with various types of land uses.

14 2. Amounts of carbon sequestered by natural systems in this state associated  
15 with various types of land uses.

16 (b) *Comprehensive accounting system.* 1. As part of its activities under par. (a),  
17 the department shall develop and maintain a comprehensive accounting system to  
18 estimate the net annual emissions of greenhouse gases from natural systems in this  
19 state in 2005 and changes in these emissions in subsequent years due to significant  
20 changes in land cover or in the management of land. The department shall ensure  
21 that the system identifies greenhouse gas emissions for at least agricultural,  
22 forestry, grassland, wetland, urban, and suburban land uses.

23 2. The department shall design and operate the system under subd. 1. to  
24 produce statistically valid data, for use in each of the assessments under sub. (6), that  
25 can be used to estimate the emissions and changes in emissions specified in subd. 1.

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1 and to provide information for the smallest land areas consistent with economic  
2 practicality, but in no case larger than a county.

3 3. The department shall include a land cover database in the system under  
4 subd. 1.

5 4. The department may design and operate the system under subd. 1. to serve  
6 other purposes, including use in climate change programs related to public  
7 education, the management and supply of bioenergy feedstocks, and sustainable  
8 forest management.

9 (c) *Inventories and analyses.* The department shall periodically prepare  
10 inventories and analyses of the information collected or estimated under par. (a) that  
11 include inventories of greenhouse gas emissions from man-made sources in 2005  
12 and of net greenhouse gas emissions from natural systems in 2005 and trends in  
13 greenhouse gas emissions from man-made sources and of net greenhouse gas  
14 emissions from natural systems adjusted for all of the following:

15 1. Meteorological, economic, and other variable factors that cause significant  
16 deviations from normal trends.

17 2. Changes in energy use, fuel composition, and other factors likely to  
18 permanently affect future emissions, or sequestration, of greenhouse gases.

19 (d) *Emission reporting requirements.* 1. The department shall promulgate a  
20 rule to revise the air contaminant emissions reporting requirements under ss. 285.17  
21 and 299.15 (1) and (2) in effect on the effective date of this subdivision .... [LRB  
22 inserts date], to set the reporting level for carbon dioxide at 10,000 tons per year and  
23 to require a person owning or operating a stationary source who is required to report  
24 carbon dioxide emissions to also report methane and nitrous oxide emissions from  
25 the combustion of a solid, liquid, or gaseous fuel.

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1           2. After it complies with subd. 1., the department may promulgate a rule that  
2 modifies the reporting requirements described in subd. 1.

3           **(6) QUADRENNIAL ASSESSMENT.** No later than March 1, 2014, and every 4 years  
4 thereafter, the department shall prepare an assessment of the changes in net  
5 greenhouse gas emissions in this state and of public and private climate change goals  
6 and programs, based on the inventories and analyses under sub. (5) (c) and other  
7 relevant information. In the assessment, the department shall address at least all  
8 of the following:

9           (a) Whether this state is achieving the applicable greenhouse gas emission  
10 reduction goal under sub. (2) (a), (b), or (c).

11           (b) Whether this state is making continuous progress in reducing net  
12 greenhouse gas emissions in accordance with the goal in sub. (2) (d).

13           (c) If this state is not achieving the applicable greenhouse gas emission  
14 reduction goal or is not likely to achieve its future greenhouse gas emission reduction  
15 goals, proposals for alternative programs for meeting the goals.

16           (d) Whether any state or local governmental climate change goal or  
17 nonregulatory program should be modified to make the program more effective at  
18 reducing net greenhouse gas emissions or mitigating the effects of climate change or  
19 less costly to implement.

20           (e) Whether any state or local governmental climate change goal or  
21 nonregulatory program should be modified or created to respond to a new federal  
22 initiative relating to climate change or a new scientific understanding of climate  
23 change processes or effects.

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1 (f) Estimates of the likely reductions in net greenhouse gas emissions and of  
2 the effects on energy use in this state and on the state's economy associated with each  
3 new program or program change analyzed under pars. (c) to (e).

4 **(7) CONSULTATION AND ASSISTANCE.** (a) The department shall consult with the  
5 climate change coordinating council in fulfilling its duties under subs. (4), (5), and  
6 (6).

7 (b) Other state agencies shall assist the department to the fullest extent  
8 possible in fulfilling its duties under subs. (4), (5), (6), and (10).

9 **(8) PUBLIC REVIEW.** The department shall provide an opportunity for public  
10 review and comment on all of the following:

11 (a) The inventories under sub. (5) (c).

12 (b) The methodologies used under sub. (6) to estimate the effects of policies and  
13 other factors on changes in net emissions of greenhouse gases.

14 (c) The assessments under sub. (6).

15 **(9) POLICY REVIEW AND REPORT.** (a) No later than June 1, 2014, and every 4 years  
16 thereafter, the climate change coordinating council shall submit a report to the  
17 legislature, under s. 13.172 (2), and to the governor on all of the following:

18 1. Whether this state is achieving the applicable greenhouse gas emission  
19 reduction goal in sub. (2) (a), (b), or (c), whether the state is making continuous  
20 progress in reducing net greenhouse gas emissions in accordance with sub. (2) (d),  
21 and whether this state is likely to achieve its future greenhouse gas emission  
22 reduction goals in sub. (2) and, if not, recommended changes in programs needed to  
23 achieve the goals.

24 2. Other recommended changes in state and local governmental climate change  
25 goals and programs.

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1           3. The likely reductions in net greenhouse gas emissions and effects on energy  
2 use in this state and on the state's economy associated with each program change  
3 recommended under subds. 1. and 2.

4           4. Whether any climate change goals should be modified and whether any new  
5 climate change goals should be created.

6           (b) The climate change coordinating council shall base its report under par. (a)  
7 on the assessment under sub. (6) and other information received by the council and  
8 shall include in the report a summary of the assessments and reports related to  
9 climate change that state agencies are required to submit to the department or the  
10 council.

11           **(10) INTERNET SITE.** (a) The department, in consultation with the climate  
12 change coordinating council, and the administrator of the statewide energy  
13 efficiency and renewable resource programs under s. 196.374 (2) (a) 1., and other  
14 appropriate public and private entities providing educational and training programs  
15 on climate change to the public shall establish and maintain an Internet site on  
16 climate change.

17           (b) The department shall make all of the following available on the Internet site  
18 under par. (a):

19           1. The information under sub. (5) (a).

20           2. The inventories and analyses under sub. (5) (c).

21           3. The assessments under sub. (6).

22           4. The reports under sub. (9).

23           5. The assessments and reports related to climate change that state agencies  
24 are required to submit to the department or the climate change coordinating council.

25           **SECTION 288.** 299.035 of the statutes is created to read:

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1           **299.035 Climate change coordinating council. (1) DEFINITION.** In this  
2 section, “council” means the climate change coordinating council.

3           **(2) DUTIES.** (a) The council shall prepare reports under s. 299.03 (9).

4           (b) The council shall assist state agencies in improving and coordinating their  
5 programs relating to climate change.

6           (c) The council, in consultation with the administrator of the statewide energy  
7 efficiency and renewable resource programs under s. 196.374 (2) (a) 1., and other  
8 appropriate public and private entities providing educational and training programs  
9 on climate change to the public, shall promote and coordinate state educational and  
10 training programs related to climate change, including programs that provide  
11 information on all of the following:

12           1. State goals for the reduction of net greenhouse gas emissions and other  
13 related state goals for reducing the consumption of fossil fuels.

14           2. Assessments, under s. 299.03 (6) and (9), of changes in net greenhouse gas  
15 emissions in this state and of state climate change goals and programs.

16           3. Activities by state agencies to meet goals for the reductions of their  
17 greenhouse gas emissions and to meet their related goals for energy efficiency and  
18 the use of energy derived from renewable sources.

19           4. State, local, and federal governmental programs related to or affecting  
20 climate change.

21           5. Actions that persons can take to reduce the amount of their greenhouse gas  
22 emissions.

23           6. Other significant mitigation and adaptation strategies that address climate  
24 change.

25           7. The causes and effects of climate change.



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1 (d) The council shall give priority under par. (a) to promoting and coordinating  
2 programs for students in kindergarten through 12th grade and to undergraduate  
3 and graduate students and their teachers.

4 **(3) SUBCOMMITTEES.** The council may create subcommittees to assist in its  
5 work. The council may appoint to its subcommittees members of the council,  
6 employees of the agencies with members on the council, employees of other state  
7 agencies, representatives of counties and municipalities, and others. The council  
8 shall consider the need for subcommittees on the subjects within the scope of its  
9 duties under sub. (2) and other subjects determined to be appropriate by the council.

10 **(4) SUPPORT.** The state agencies with membership on the council and its  
11 subcommittees shall provide adequate staff to conduct the functions of the council.

12 **SECTION 289.** 299.04 of the statutes is created to read:

13 **299.04 Report on greenhouse gas cap and trade program. (1)** In this  
14 section:

15 (a) "Cap and trade program" means a program that imposes limits on emissions  
16 of greenhouse gases from specified sources of emissions and that provides for the  
17 trading of allowances that may be used to satisfy those limits.

18 (b) "Greenhouse gas" has the meaning given in s. 299.03 (1) (d).

19 **(2)** The department shall submit a report to the appropriate standing  
20 committees of the legislature, under s. 13.172 (3), and to the governor if any of the  
21 following occurs:

22 (a) Enactment of federal legislation creating a federal cap and trade program.

23 (b) Adoption of a federal regulation creating a federal cap and trade program.

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1 (c) Recommendation of a regional cap and trade program by governors of  
2 midwestern states, including the governor of this state, that would be applicable to  
3 any person in this state.

4 (3) The department shall include in the report under sub. (2) a description of  
5 the cap and trade program and recommendations on any legislation that would be  
6 necessary to implement the cap and trade program in this state. In preparing the  
7 report under sub. (2), the department shall consult with state agencies that would  
8 be affected by the cap and trade program.

9 **SECTION 290.** 299.045 of the statutes is created to read:

10 **299.045 Greenhouse gas emissions by state agencies. (1) DEFINITIONS.**

11 In this section:

12 (a) “Agency” means the department of administration, the department of  
13 agriculture, trade and consumer protection, the department of corrections, the  
14 department of health services, the department of natural resources, the department  
15 of public instruction, the department of transportation, the department of veterans  
16 affairs, and the Board of Regents of the University of Wisconsin System.

17 (b) “Biomass” has the meaning given in s. 196.374 (1) (am).

18 (c) “Global warming potential” has the meaning given in s. 299.03 (1) (c).

19 (d) “Greenhouse gas” has the meaning given in s. 299.03 (1) (d).

20 (2) ANALYSIS. No later than the first day of the 13th month beginning after the  
21 date on which the department of administration prescribes the initial guidelines and  
22 protocols under s. 16.954 (2), each agency shall prepare an analysis that estimates  
23 the amount of greenhouse gas emissions that are attributable to activities of the  
24 agency in calendar years 2005 and 2010.

25 (3) DEVELOPMENT AND ACHIEVEMENT OF GOALS. Each agency shall:

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1 (a) Establish achievable goals for the reduction of greenhouse gas emissions  
2 identified in its analysis under sub. (2) which shall include a reduction by January  
3 1, 2020, to an annual amount that is 22 percent lower than the annual amount  
4 attributable to the agency in 2005.

5 (b) Develop a plan for achieving the goals established in par. (a) by means of  
6 specific actions to be taken and completed no later than January 1, 2020.

7 (4) ELEMENTS OF PLAN. In developing its plan under sub. (3) (b), each agency  
8 shall consider all cost-effective and technically feasible opportunities to reduce  
9 greenhouse gas emissions, including:

10 (a) Increasing the efficiency of energy use by the agency.

11 (b) Installing renewable energy systems in facilities used by the agency.

12 (c) Purchasing energy derived from renewable resources for use by the agency.

13 (d) Increasing the efficiency of boilers in existing facilities used by the agency.

14 (e) Converting boilers in existing facilities used by the agency to fuels that  
15 result in lower net greenhouse gas emissions, including biomass fuels.

16 (f) Reducing transportation-related emissions by the agency in all of the  
17 following ways:

18 1. Converting the agency's on-road and off-road vehicle fleet to vehicles that  
19 are more efficient, or that use renewable fuels, or both.

20 2. Encouraging teleconferencing in lieu of attending in-person meetings that  
21 require travel to meeting sites.

22 3. Encouraging employees of the agency to telecommute, carpool, bicycle, walk,  
23 or use public transit.

24 4. Reducing the idling of on-road and off-road motor vehicles operated by the  
25 agency.

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1           5. Reducing the idling of on-road and off-road motor vehicles operated by any  
2 person who enters into a contract with an agency and who receives payments under  
3 that contract from moneys appropriated by this state with respect to services  
4 performed under the contract, whether or not within this state, during the period  
5 that the contract is in effect.

6           6. Converting the refrigerants used in on-road and off-road motor vehicles in  
7 the vehicle fleet maintained by the agency to refrigerants with low global warming  
8 potential.

9           7. Purchasing fuels for on-road and off-road motor vehicles used by the agency  
10 that are derived in whole or in part from renewable resources.

11           8. Any other appropriate means.

12           (g) Reducing the water and other materials used by the agency.

13           (h) Increasing the recycling of waste generated by the agency.

14           (i) Planting trees or deep-rooted, herbaceous, perennial plants on lands  
15 controlled by the agency, including highway rights-of-way and building grounds.

16           **(5) BIENNIAL REPORTS.** No later than March 1 of each odd-numbered year each  
17 agency shall report to the department of administration in the form specified by that  
18 department concerning its progress toward achieving or success in maintaining  
19 adherence to the goals established by the agency under sub. (3) (a).

20           **(6) IDLING REDUCTION ASSISTANCE.** The department shall assist agencies in  
21 identifying opportunities to reduce greenhouse gas emissions through development  
22 of idling reduction techniques for incorporation into agency plans under sub. (4) (f)  
23 4. and 5.

24           **SECTION 291.** 299.97 (1) of the statutes is amended to read:

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1           299.97 (1) Any person who violates this chapter, except s. 299.15 (1), 299.47  
2           (2), 299.51 (4) (b), 299.53 (2) (a) or (3), 299.62 (2) ~~or~~, 299.64 (2), or 299.045, or any rule  
3           promulgated or any plan approval, license or special order issued under this chapter,  
4           except under those sections, shall forfeit not less than \$10 nor more than \$5,000, for  
5           each violation. Each day of continued violation is a separate offense. While the order  
6           is suspended, stayed or enjoined, this penalty does not accrue.

7           **SECTION 292.** 346.94 (21) of the statutes is created to read:

8           346.94 (21) TRUCK IDLING. The operator of a motor truck, truck tractor, or road  
9           tractor may not allow the primary propulsion engine of the motor vehicle to idle, on  
10          or off a highway, for more than 5 minutes in any 60 minute period, except under any  
11          of the following circumstances:

12          (a) When the motor vehicle is forced to remain motionless because of traffic  
13          conditions.

14          (b) When the outdoor temperature is below 10 degrees Fahrenheit or above 90  
15          degrees Fahrenheit.

16          (c) When the medical needs of the motor vehicle operator or a passenger  
17          require the use of equipment that is necessary for the health of the operator or  
18          passenger and the equipment is not part of the motor vehicle and is powered from  
19          the motor vehicle's primary propulsion engine.

20          (d) When necessary to power equipment needed to load or unload property into  
21          or from the motor vehicle or a vehicle combination of which the motor vehicle is a  
22          part.

23          (e) When necessary to regenerate an emission filtration device on the motor  
24          vehicle.

25          (f) When performing maintenance procedures, including vehicle repair.

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1 (g) If the motor vehicle contains a heavy-duty highway diesel engine that  
2 complies with the air pollutant emission standards promulgated by the federal  
3 environmental protection agency under 42 USC 7521 for engine model year 2007 or  
4 a later engine model year.

5 **SECTION 293.** 346.95 (11) of the statutes is created to read:

6 346.95 (11) Any person violating s. 346.94 (21) may be required to forfeit not  
7 less than \$20 nor more than \$40 for the first offense, not less than \$100 nor more than  
8 \$500 for the 2nd conviction within a year, and not less than \$500 nor more than  
9 \$1,000 for the 3rd or subsequent conviction within a year.

10 **SECTION 294.** 560.032 (1) of the statutes is renumbered 560.032 (1r) (a) and  
11 amended to read:

12 560.032 (1r) ALLOCATION. (a) The department, by rule, shall establish under  
13 26 USC 146 and administer a system for the allocation of the volume cap on the  
14 issuance of private activity bonds, ~~as defined under 26 USC 141 (a)~~, among all  
15 municipalities, as defined in s. 67.01 (5), and any corporation formed on behalf of  
16 those municipalities, and among this state, the Wisconsin Health and Educational  
17 Facilities Authority, the Wisconsin Aerospace Authority, and the Wisconsin Housing  
18 and Economic Development Authority.

19 **SECTION 295.** 560.032 (1g) of the statutes is created to read:

20 560.032 (1g) DEFINITIONS. In this section:

21 (a) “Clean energy manufacturing facility” means a facility that manufactures  
22 any of the following:

23 1. Energy efficient fixtures or building components, metering equipment, or  
24 appliances.

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1           2. Equipment used to produce energy from a renewable resource or components  
2 of that equipment.

3           3. Equipment used to produce fuel made from a renewable resource or  
4 components of that equipment.

5           4. Renewable fuel, flex fuel, advanced diesel, hybrid, electric, or other advanced  
6 drive train vehicles designed to operate on highways, as defined in s. 340.01 (22).

7           5. A component of any vehicle identified in subd. 4..

8           (b) "Private activity bond" has the meaning given in 26 USC 141 (a).

9           (c) "Renewable fuel" means a fuel produced from a renewable resource.

10          (d) "Renewable power generating facility" means a facility owned by a person  
11 that is not a public utility or an electric cooperative with equipment to generate  
12 electricity or another form of energy from a renewable resource if that facility is  
13 projected to consume no less than 70 percent of the energy generated by that  
14 equipment in manufacturing processes at the site where the equipment is located.

15          (e) "Renewable resource" has the meaning given in s. 196.374 (1) (j).

16          **SECTION 296.** 560.032 (1r) (b) of the statutes is created to read:

17          560.032 (1r) (b) In the rules under par. (a), the department shall provide that  
18 25 percent of the amount allocated to municipalities and corporations formed on  
19 behalf of municipalities each year will be allocated for all of the following:

20           1. Clean energy manufacturing facilities.

21           2. Renewable power generating facilities.

22          **SECTION 297.** 560.032 (2) of the statutes is renumbered 560.032 (2) (a) and  
23 amended to read:

24          560.032 (2) **AMENDMENT TO OR REALLOCATION OF ALLOCATION.** (a) At any time  
25 prior to December 31 in any year, the department may promulgate rules to revise the

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1 allocation system established for that year under sub. ~~(1)~~ (1r) (a), except that any  
2 revision under this subsection paragraph does not apply to any allocation under  
3 which the recipient of that allocation has adopted a resolution authorizing the  
4 issuance of a private activity bond, ~~as defined in 26 USC 141 (a).~~

5 **SECTION 298.** 560.032 (2) (b) of the statutes is created to read:

6 560.032 **(2)** (b) Beginning on September 1 in any year, the department may  
7 reallocate using the system established by rule under sub. (1r) (a) any amount of the  
8 allocation made for that year under sub. (1r) (b) for which bonds have not been issued,  
9 except that any reallocation under this paragraph does not apply to any allocation  
10 under which the recipient of that allocation has adopted a resolution authorizing the  
11 issuance of a private activity bond.

12 **SECTION 299.** 560.032 (4) of the statutes is amended to read:

13 560.032 **(4)** CERTIFICATION. If the secretary receives notice of the issuance of a  
14 bond under an allocation under subs. ~~(1) to (3)~~ this section, the secretary shall certify  
15 that that bond meets the requirements of 26 USC 146.

16 **SECTION 300.** 560.081 (1m) of the statutes is created to read:

17 560.081 **(1m)** A proposed project is a “qualifying project” for purposes of sub.  
18 (2) (e) and (f) 6. if the project will result in a reduction in travel, energy use, or the  
19 emission of greenhouse gases, as defined in s. 299.03 (1) (d), or if any of the following  
20 applies:

21 (a) The project is located in an area that is designated for traditional  
22 neighborhood development, as defined in s. 66.1027 (1) (c), in a comprehensive plan  
23 adopted under s. 66.1001 and at least one of the following applies:

24 1. The area is surrounded by or is adjacent to existing development.



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1           2. The area is within a sewer service territory in the sewer service area  
2 provisions of an areawide water quality management plan under s. 283.83 approved  
3 by the department of natural resources.

4           3. The area consists primarily of blighted properties.

5           4. The area meets other criteria, specified by the department by rule, designed  
6 to ensure that the project reduces greenhouse gas emissions.

7           (b) The municipality in which the project is located has adopted the design  
8 standards under s. 101.027 (4) and the project is in an area that is subject to the  
9 design standards.

10          (c) All of the following apply:

11           1. The project is located in an area that is subject to either a charter under s.  
12 299.83 (7e) issued to an association of entities that includes the municipality in  
13 which the area is located or a participation contract under s. 299.83 (6) entered into  
14 by the municipality in which the area is located.

15           2. The department of natural resources determines, in consultation with the  
16 department of commerce, the department of administration, the public service  
17 commission, and the office of energy independence, that implementation of the  
18 charter is likely to result in significant reductions in emissions of greenhouse gases,  
19 as defined in s. 299.03 (1) (d), or in energy use by public or private entities within the  
20 municipality.

21           (d) The project is located in a municipality that participates in tier I under s.  
22 299.83 (3), the area in which the project is located is affected by the participation in  
23 tier I, and the department of natural resources determines, in consultation with the  
24 department of commerce, the department of administration, the public service  
25 commission, and the office of energy independence, that the participation in tier I is

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1 likely to result in significant reductions in emissions of greenhouse gases, as defined  
2 in s. 299.03 (1) (d), or in energy use by public or private entities within the  
3 municipality.

4 **SECTION 301.** 560.081 (2) (e) of the statutes is amended to read:

5 560.081 (2) (e) Annually select, upon application, up to 5 municipalities to  
6 participate in the state main street program. The program for each municipality  
7 shall conclude after 3 years, except that the program for each municipality selected  
8 after July 29, 1995, shall conclude after 5 years. The department shall select  
9 program participants representing various geographical regions and populations,  
10 and may give greater weight to a municipality that has proposed a project that is a  
11 qualifying project under sub. (1m). A municipality may apply to participate, and the  
12 department may select a municipality for participation, more than one time. In  
13 selecting a municipality, however, the department may give priority to those  
14 municipalities that have not previously participated.

15 **SECTION 302.** 560.081 (2) (f) 6. of the statutes is created to read:

16 560.081 (2) (f) 6. Whether a project proposed by a municipality that has applied  
17 to participate in the program under par. (e) is a qualifying project under sub. (1m).

18 **SECTION 303.** 560.13 (2) (b) 2. of the statutes is amended to read:

19 560.13 (2) (b) 2. ~~For~~ Except as provided in subd. 3., for a grant that does not  
20 exceed \$300,000, the recipient shall be required to contribute not less than 20% of  
21 the cost of the project. ~~For~~ Except as provided in subd. 3., for a grant that is greater  
22 than \$300,000 but that does not exceed \$700,000, the recipient shall be required to  
23 contribute not less than 35% of the cost of the project. ~~For~~ Except as provided in subd.  
24 3., for a grant that is greater than \$700,000 but that does not exceed \$1,250,000, the  
25 recipient shall be required to contribute not less than 50% of the cost of the project.

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1           **SECTION 304.** 560.13 (2) (b) 3. of the statutes is created to read:

2           560.13 **(2)** (b) 3. The department may promulgate a rule that specifies a  
3           minimum contribution by a recipient that is less than the percentage of the cost of  
4           the project specified in subd. 2. if all of the following apply:

5           a. The recipient is a city, village, town, or county.

6           b. The project is a qualifying project.

7           **SECTION 305.** 560.13 (3) (intro.) of the statutes, as affected by 2009 Wisconsin  
8           Act 28, is amended to read:

9           560.13 **(3)** (intro.) The department may consider the following criteria in  
10           making awards under this section, and shall give additional consideration to a  
11           project that satisfies the criteria under par. (em):

12           **SECTION 306.** 560.13 (3) (em) of the statutes is created to read:

13           560.13 **(3)** (em) The project is a qualifying project under sub. (3m).

14           **SECTION 307.** 560.13 (3m) of the statutes is created to read:

15           560.13 **(3m)** A proposed project is a “qualifying project” for purposes of subs.  
16           (2) (b) 3. b. and (3) (em) if the project is proposed by a city, village, town, or county  
17           and the project will result in a reduction in travel, energy use, or the emission of  
18           greenhouse gases, as defined in s. 299.03 (1) (d), or if any of the following applies:

19           (a) The project is located in an area that is designated for traditional  
20           neighborhood development, as defined in s. 66.1027 (1) (c), in a comprehensive plan  
21           adopted under s. 66.1001 and at least one of the following applies:

22           1. The area is surrounded by or is adjacent to existing development.

23           2. The area is within a sewer service territory in the sewer service area  
24           provisions of an areawide water quality management plan under s. 283.83 approved  
25           by the department of natural resources.

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1           3. The area consists primarily of blighted properties.

2           4. The area meets other criteria, specified by the department by rule, designed  
3 to ensure that the project reduces greenhouse gas emissions.

4           (b) The city, village, town, or county in which the project is located has adopted  
5 the design standards under s. 101.027 (4) and the project is in an area that is subject  
6 to the design standards.

7           (c) All of the following apply:

8           1. The project is located in an area that is subject to either a charter under s.  
9 299.83 (7e) issued to an association of entities that includes the city, village, town,  
10 or county in which the area is located or a participation contract under s. 299.83 (6)  
11 entered into by the city, village, town, or county in which the area is located.

12           2. The department of natural resources determines, in consultation with the  
13 department of commerce, the department of administration, the public service  
14 commission, and the office of energy independence, that implementation of the  
15 charter is likely to result in significant reductions in emissions of greenhouse gases,  
16 as defined in s. 299.03 (1) (d), or in energy use by public or private entities within the  
17 city, village, town, or county.

18           (d) The project is located in a city, village, town, or county that participates in  
19 tier I under s. 299.83 (3), the area in which the project is located is affected by the  
20 participation in tier I, and the department of natural resources determines, in  
21 consultation with the department of commerce, the department of administration,  
22 the public service commission, and the office of energy independence, that the  
23 participation in tier I is likely to result in significant reductions in emissions of  
24 greenhouse gases, as defined in s. 299.03 (1) (d), or in energy use by public or private  
25 entities within the city, village, town, or county.

**SENATE BILL 450****SECTION 308**

1           **SECTION 308.** 560.205 (1) (g) of the statutes, as affected by 2009 Wisconsin Act  
2           2, is amended to read:

3           560.205 (1) (g) It is not primarily engaged in real estate development,  
4           insurance, banking, lending, lobbying, political consulting, professional services  
5           provided by attorneys, accountants, business consultants, physicians, or health care  
6           consultants, wholesale or retail trade, leisure, hospitality, transportation, or  
7           construction, except construction of power production plants that derive energy from  
8           a renewable resource, as defined in s. ~~196.378 (1) (h)~~ 196.374 (1) (j).

9           **SECTION 309.** 560.302 of the statutes, as created by 2009 Wisconsin Act 28, is  
10          renumbered 560.302 (2m), and 560.302 (2m) (intro.) and (h), as renumbered, are  
11          amended to read:

12          560.302 (2m) (intro.) Upon receipt of an application by an any eligible  
13          recipient, the department may consider any of the following in determining whether  
14          to award a grant or make a loan under s. 560.304:

15          (h) Any other criteria established by the department by rule, including the  
16          types of projects that are eligible for funding and the types of eligible projects that  
17          will receive priority. The criteria established under this paragraph shall include a  
18          criterion that requires the department to give additional consideration to an eligible  
19          activity proposed by an eligible recipient that is a municipality if the eligible activity  
20          is described in sub. (1m).

21          **SECTION 310.** 560.302 (1m) of the statutes is created to read:

22          560.302 (1m) Upon receipt of an application by an eligible recipient that is a  
23          municipality, the department shall consider whether an eligible activity proposed by  
24          that municipality will result in a reduction in travel, energy use, or the emission of

**SENATE BILL 450****SECTION 310**

1 greenhouse gases, as defined in s. 299.03 (1) (d), or whether one of the following  
2 applies to that eligible activity:

3 (a) The eligible activity is located in an area that is designated for traditional  
4 neighborhood development, as defined in s. 66.1027 (1) (c), in a comprehensive plan  
5 adopted under s. 66.1001 and at least one of the following applies:

6 1. The area is surrounded by or is adjacent to existing development.

7 2. The area is within a sewer service territory in the sewer service area  
8 provisions of an areawide water quality management plan under s. 283.83 approved  
9 by the department of natural resources.

10 3. The area consists primarily of blighted properties.

11 4. The area meets other criteria, specified by the department by rule, designed  
12 to ensure that the eligible activity reduces greenhouse gas emissions.

13 (b) The municipality in which the eligible activity is located has adopted the  
14 design standards under s. 101.027 (4) and the eligible activity is in an area that is  
15 subject to the design standards.

16 (c) All of the following apply:

17 1. The eligible activity is located in an area that is subject to either a charter  
18 under s. 299.83 (7e) issued to an association of entities that includes the municipality  
19 in which the area is located or a participation contract under s. 299.83 (6) entered into  
20 by the municipality in which the area is located.

21 2. The department of natural resources determines, in consultation with the  
22 department of commerce, the department of administration, the public service  
23 commission, and the office of energy independence, that implementation of the  
24 charter is likely to result in significant reductions in emissions of greenhouse gases,

**SENATE BILL 450**

1 as defined in s. 299.03 (1) (d), or in energy use by public or private entities within the  
2 municipality.

3 (d) The eligible activity is located in a municipality that participates in tier I  
4 under s. 299.83 (3), the area in which the eligible activity is located is affected by the  
5 participation in tier I, and the department of natural resources determines, in  
6 consultation with the department of commerce, the department of administration,  
7 the public service commission, and the office of energy independence, that the  
8 participation in tier I is likely to result in significant reductions in emissions of  
9 greenhouse gases, as defined in s. 299.03 (1) (d), or in energy use by public or private  
10 entities within the municipality.

11 **SECTION 311.** 560.305 (4) of the statutes, as created by 2009 Wisconsin Act 28,  
12 is renumbered 560.305 (4) (a) and amended to read:

13 560.305 (4) (a) The Except as provided in par. (b), the board shall require, as  
14 a condition of a grant or loan, that a recipient contribute to a project an amount that  
15 is not less than 25 percent of the amount of the grant or loan.

16 **SECTION 312.** 560.305 (4) (b) of the statutes is created to read:

17 560.305 (4) (b) The department may promulgate a rule that specifies a  
18 minimum contribution by an eligible recipient that is less than 25 percent of the  
19 amount of the grant or loan if all of the following apply:

- 20 1. The eligible recipient is a municipality.
- 21 2. The eligible recipient has proposed an eligible activity that satisfies the  
22 criteria in s. 560.302 (1m).
- 23 3. The eligible recipient receives a grant or loan under this subchapter.

24 **SECTION 313.** 1983 Wisconsin Act 401, section 1 is repealed.

25 **SECTION 9101. Nonstatutory provisions; Administration.**

**SENATE BILL 450****SECTION 9101**

1           (1) GREENHOUSE GAS EMISSIONS BY STATE AGENCIES; GUIDELINES AND PROTOCOLS.  
2           The department of administration shall prescribe initial guidelines and protocols  
3           under section 16.954 (2) of the statutes, as created by this act, no later than the first  
4           day of the 13th month beginning after the effective date of this subsection.

5           (2) GREENHOUSE GAS EMISSIONS BY STATE AGENCIES; INITIAL REPORT.  
6           Notwithstanding section 16.954 (6) of the statutes, as created by this act, the  
7           department of administration shall submit its initial report under that subsection  
8           no later than July 1, 2013.

9           (3) LEVY LIMITS EXCEPTION. Using the procedure under section 227.24 of the  
10          statutes, the department of administration may promulgate the rules required  
11          under section 66.0602 (3) (e) 9. of the statutes for the period before the effective date  
12          of the permanent rule promulgated under that section but not to exceed the period  
13          authorized under section 227.24 (1) (c) and (2) of the statutes. Notwithstanding  
14          section 227.24 (1) (a), (2) (b), and (3) of the statutes, the department of administration  
15          is not required to provide evidence that promulgating a rule under this subsection  
16          as an emergency rule is necessary for the preservation of the public peace, health,  
17          safety, or welfare and is not required to provide a finding of emergency for a rule  
18          promulgated under this subsection.

19                **SECTION 9110. Nonstatutory provisions; Commerce.**

20           (1) AGRICULTURAL FACILITIES ENERGY CONSERVATION CODE. The department of  
21          commerce shall submit in proposed form the rules required under section 101.028 of  
22          the statutes, as created by this act, to the legislative council staff under section  
23          227.15 (1) of the statutes no later than the first day of the 25th month beginning after  
24          the effective date of this subsection.

25                **SECTION 9137. Nonstatutory provisions; Natural Resources.**



**SENATE BILL 450**

1 (1) STUDY OF ENGINE IDLING.

2 (a) In this subsection:

3 1. "Department" means the department of natural resources.

4 2. "Greenhouse gas" has the meaning given in section 299.03 (1) (d) of the  
5 statutes, as created by this act.

6 3. "Mobile source" has the meaning given in section NR 400.02 (98), Wisconsin  
7 Administrative Code.

8 (b) The department shall study emissions of greenhouse gases from the idling  
9 of engines in mobile sources, other than vehicles subject to section 346.94 (21) of the  
10 statutes, as created by this act, and shall recommend incentives, technical  
11 assistance, or regulations, or a combination of these approaches, to achieve  
12 technically and economically feasible reductions in these emissions. The  
13 department shall base the study on a review of the existing literature and  
14 governmental policies designed to reduce these emissions.

15 (c) The department shall report the results of its study under paragraph (b) to  
16 the legislature, in the manner provided in section 13.172 (2) of the statutes, and to  
17 the governor no later than the 90th day after the effective date of this paragraph.

18 (2) AIR PERMIT STREAMLINING RULES. The department of natural resources shall  
19 submit in proposed form the rules to implement section 285.60 (11) of the statutes,  
20 as created by this act, to the legislative council staff under section 227.15 (1) of the  
21 statutes no later than the first day of the 18th month beginning after the effective  
22 date of this subsection.

23 (3) FOREST GRANT PROGRAM. The department of natural resources shall submit  
24 in proposed form the rules required under section 26.38 (3) (d) of the statutes, as  
25 created by this act, to the legislative council staff under section 227.15 (1) of the

**SENATE BILL 450****SECTION 9137**

1 statutes no later than the first day of the 7th month beginning after the effective date  
2 of this subsection.

3 **SECTION 9141. Nonstatutory provisions; Public Service Commission.**

4 (1) NONSEVERABILITY. Notwithstanding section 990.001 (11) of the statutes, if  
5 a court finds that section 196.493 (2) (am) 4. of the statutes, as created by this act,  
6 is unconstitutional, the treatment of sections 76.28 (1) (gm) 3., 79.04 (6) (a), 101.80  
7 (1j) and (2m), 196.25 (1) and (1g), 196.49 (1), (1g), (2), (3) (a) and (cm), (4), and (6),  
8 196.491 (1) (i) and (j), (3) (d) (intro.) and 2., (em), and (g), and (3m) (title), (a) (intro.),  
9 (b) 1. am. and 3. b., and (c) 1. a., 196.493 (title), (1), (1g), (1r) (ag) and (b), (2) (intro.),  
10 (a), (am) 1m., 2. c., 3., and 4., (b) (intro.), 1., 2., and 3., and (c), (3), and (4), 196.65 (1),  
11 (1g), and (2), 196.66 (1), (1g), (2), and (4) (b), 196.795 (6m) (a) 4m. and (cm) and (11)  
12 (b), 196.80 (1r), and 196.85 (1m) (a) of the statutes, the renumbering of section  
13 196.491 (5) of the statutes, the renumbering and amendment of section 196.491 (1)  
14 (g) and (w) 2. and (3m) (d) of the statutes, and the creation of section 196.491 (1) (g)  
15 2. and (w) 2. b., (3m) (d) 1. and 2., and (5) (am) and (c) 1. am. and 2. bm. of the statutes  
16 by this act are void.

17 (2) RENEWABLE PORTFOLIO STANDARD REPORT.

18 (a) In this subsection:

19 1. “Electric provider” has the meaning given in section 196.378 (1r) (c) of the  
20 statutes, as affected by this act.

21 2. “Renewable portfolio standard” has the meaning given in section 196.378  
22 (1r) (gm) of the statutes, as created by this act.

23 (b) The public service commission shall study options for ensuring that electric  
24 providers are able to comply with the renewable portfolio standard, including options  
25 for doing all of the following with regard to renewable energy construction projects:

**SENATE BILL 450**

- 1           1. Streamlining the regulatory approval and siting process.
- 2           2. Encouraging proposals that encompass multiple projects, with multiproject,
- 3 integrative plans for the acquisition of sites, equipment, and contractors.
- 4           3. Approving multiyear commitments for the acquisition of necessary
- 5 equipment in a timely manner, with appropriate recovery of development costs.
- 6           4. Encouraging larger electric providers to partner with smaller electric
- 7 providers.
- 8           (c) No later than 6 months after the effective date of this paragraph, the public
- 9 service commission shall submit a report to the legislature and governor under
- 10 section 13.172 (2) of the statutes that describes the actions the commission has taken
- 11 or proposes to take to implement the options specified in paragraph (b) and any
- 12 recommendations for legislation necessary to fully implement the options.
- 13           (3) NONELECTRIC ENERGY RULES. The public service commission shall submit in
- 14 proposed form the rules required under section 196.378 (3m) (a) of the statutes, as
- 15 created by this act, to the legislative council staff under section 227.15 (1) of the
- 16 statutes no later than the first day of the 6th month beginning after the effective date
- 17 of this subsection.
- 18           (4) LARGE ENERGY CUSTOMER PROGRAM RULES. The public service commission
- 19 shall study the rules it has promulgated under section 196.374 (3) (f) 3. of the statutes
- 20 to determine whether the rules provide adequate opportunities for creating
- 21 programs under section 196.374 (2) (c) of the statutes. No later than 6 months after
- 22 the effective date of this subsection, the public service commission shall submit a
- 23 report to the legislature in the manner provided under section 13.172 (2) of the
- 24 statutes and to the governor that describes the commission's findings and the actions
- 25 the commission has taken or intends to take to correct any deficiencies in the rules.

**SENATE BILL 450****SECTION 9150****SECTION 9150. Nonstatutory provisions; Transportation.**

(1) WIND TURBINE REPORT. The department of transportation shall review regulatory barriers to the transport over the highways in this state of wind turbine components. No later than 6 months after the effective date of this subsection, the department shall submit a report to the legislature and governor under section 13.172 (2) of the statutes that describes the actions the department has taken to remove such barriers and any recommendations for legislation necessary to fully remove such barriers.

(2) ADVISORY COMMITTEE.

(a) The department of transportation, in consultation with the department of natural resources, shall appoint a technical advisory committee under sections 15.04 (1) (c) and 227.13 of the statutes to make recommendations to the department of transportation on the factors to be considered, and the methodology to be used, in preparing evaluations required under section 85.021 (2) (a) of the statutes, as created by this act. These evaluations shall take into consideration all of the factors specified in section 85.021 (2) (b) of the statutes, as created by this act.

(b) The technical advisory committee shall make recommendations to the department of transportation on setting a monetary value for greenhouse gas emissions and energy use, based on factors such as social costs, market rates for carbon credits, and energy costs.

(3) 2030 PLAN. If the department of transportation completes its final 2030 plan, as defined in section 85.021 (1) (e) of the statutes, as created by this act, prior to the effective date of this subsection, the department shall revise the final 2030 plan to incorporate the requirement specified in section 85.021 (3) of the statutes, as created by this act.

**SENATE BILL 450****SECTION 9150**

1           (4) RULES RELATING TO TRANSPORTATION PROJECTS. The department of  
2 transportation shall submit in proposed form the rules required under section 85.021  
3 (4) of the statutes, as created by this act, to the legislative council staff under section  
4 227.15 (1) of the statutes no later than the first day of the 18th month beginning after  
5 the effective date of this subsection.

6           **SECTION 9157. Nonstatutory provisions; Other.**

7           (1) SCHOOL DISTRICT PARTICIPATION; INITIAL OEI REPORT. Notwithstanding section  
8 16.956 (3) (i) of the statutes, as created by this act, the office of energy independence  
9 shall submit its initial report under section 16.956 (3) (i) of the statutes, as created  
10 by this act, on July 1, 2013.

11           (2) GREENHOUSE GAS EMISSIONS; INITIAL STATE AGENCY REPORT. Notwithstanding  
12 section 299.045 (5) of the statutes, as created by this act, each agency, as defined in  
13 section 299.045 (1) (a) of the statutes, as created by this act, shall submit its initial  
14 report under section 299.045 (5) of the statutes, as created by this act, on March 1,  
15 2013.

16           **SECTION 9333. Initial applicability; Local Government.**

17           (1) LEVY LIMITS EXCEPTION. The treatment of section 66.0602 (3) (e) 9. of the  
18 statutes first applies to a fiscal year that begins on January 1 of the year following  
19 the year in which this subsection takes effect.

20           **SECTION 9341. Initial applicability; Public Service Commission.**

21           (1) RENEWABLE ENERGY PERCENTAGE REPORTS. The treatment of sections 196.374  
22 (1) (am) and 196.378 (1) (ar) and (fg), (1r) (dm), (ds), (fg) 2. and 3. and (fm) 3. and 4.,  
23 and (3m) of the statutes first applies to reports submitted for the April 15, 2012,  
24 deadline under section 196.378 (2) (c) 1. of the statutes, as affected by this act.

