



The
Hamilton Consulting Group, LLC
Legislative, Regulatory & Information Services

Assembly Bill 649/Senate Bill – Wisconsin Global Warming Legislation

On December 8, 2009, a group of legislators unveiled LRB 3883/1, which is the first draft of the omnibus climate change legislation. The legislation is to implement policy recommendations by the Governor’s Task Force on Global Warming. Below is a summary of the legislation prepared by the Hamilton Consulting Group.

The legislation is organized under the following major headings:

- 1. Goals – Information, Analyses, & Reports; Climate Change Coordinating Council**
- 2. Expanded Conservation and Energy Efficiency**
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1. Goals – Information, Analyses, & Reports; Climate Change Coordinating Council

- **Greenhouse Gas Emission Reduction Goals** (Wis. Stats. § 299.03, Section 287; p. 144-146)
 - Specifies goals for statewide reductions of net greenhouse gas emissions.
 - Creates definitions:
 - “Annual net greenhouse gas emissions” means the amount of greenhouse gases, measured as tons of carbon dioxide equivalent, emitted to the atmosphere by all sources and activities in this state in a year minus the amount of greenhouse gases, measured as tons of carbon dioxide equivalent, removed from the atmosphere by all sources and activities, including by carbon sequestration, in this state in the year.
 - “Carbon dioxide equivalent” means the amount of carbon dioxide that has the equivalent radiative effect as a specified amount of a greenhouse gas, calculated by multiplying the specified amount of the greenhouse gas by its global warming potential.
 - “Carbon sequestration” means the long-term storage of carbon in water bodies, soil, vegetation, or geologic formations.

- “Global warming potential” means the relative radiative effect of a greenhouse gas compared to the radiative effect of carbon dioxide.
- “Greenhouse gas” means carbon dioxide, methane, nitrous oxide, sulphur hexafluoride, nitrogen trifluoride, a hydrofluorocarbon, a perfluorocarbon, or any other gas identified by the department under sub. (4).
- “Radiative effect” means the capability of a gas in the atmosphere to absorb infrared radiation that is emitted from the earth’s surface.
- “Renewable energy generation” means the generation of energy using a renewable resource, as defined in s. 196.374 (1) (j).
- “Zero net energy building” means one of the following:
 - a. A building that annually, based on a 3–year average, uses no more energy than is provided by on–site renewable energy generation.
 - b. One of 2 or more buildings that have an integrated system of energy supply and use and that together annually, based on a 3–year average, use no more energy than is provided by renewable energy generation that is part of the integrated system.
- 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% less than 2005 levels;
 - That the amount of emissions in 2050 and thereafter is at least 75% less than 2005 levels.
- Gives the DNR rulemaking authority to identify additional greenhouse gases.
- **Zero Net Energy Building Goals** (Wis. Stat. § 299.03; p. 146)
 - Creates a statewide goal that by 2030 each newly constructed residential or commercial building will be a “zero net energy building.”
- **Statewide Energy Conservation Goals** (Wis. Stat. § 299.03; p. 146-47)
 - Creates a goal to reduce statewide consumption of electricity in each year by an amount not less than the product of the Public Service Commission’s projection of the statewide consumption of electricity for the year and the following percentages:
 - In 2011, 1 percent.
 - In 2012, 1.25 percent.
 - In 2013, 1.5 percent.
 - In 2014, 1.75 percent.
 - In 2015 and each year thereafter, 2 percent.
 - *Liquified petroleum gas, heating oil, and natural gas reduction goal*
 - Creates a goal to reduce statewide consumption of liquified petroleum gas, heating oil, and natural gas in each year by an amount not less than the product of the Public Service Commission’s projection of the statewide consumption of electricity for the year and the following percentages:
 - In 2011; 0.5 percent.

- In 2012; 0.75 percent.
- In 2013 and each year thereafter, 1 percent

- **Information, Analyses, and Reports** (Wis. Stat. § 299.03; p. 147-51)
 - *Emission and sequestration information.*
 - Then DNR is required to periodically collect or estimate information concerning all of the following:
 - Amounts of greenhouse gas emissions from sectors of this state's economy, including from stationary and mobile sources of greenhouse gas emissions, and from natural systems in this state associated with various types of land uses.
 - Amounts of carbon sequestered by natural systems in this state associated with various types of land uses.
 - *Comprehensive accounting system*
 - The DNR is required to maintain a comprehensive accounting system to estimate the net annual emissions of greenhouse gases from natural systems in this state in 2005 and changes in these emissions in subsequent years due to significant changes in land cover or in the management of land.
 - The department shall ensure that the system identifies greenhouse gas emissions for at least agricultural, forestry, grassland, wetland, urban, and suburban land uses.
 - The DNR shall design and operate the system to produce statistically valid data that can be used to estimate the emissions and changes in emissions and to provide information for the smallest land areas consistent with economic practicality, but in no case larger than a county.
 - The DNR shall include a land cover database in the system.
 - The DNR may design and operate the system to serve other purposes, including use in climate change programs related to public education, the management and supply of bioenergy feedstocks, and sustainable forest management.
 - *Inventories and analyses*
 - The DNR is required to periodically prepare inventories and analyses of the information collected or estimated that include inventories of greenhouse gas emissions from man-made sources in 2005 and of net greenhouse gas emissions from natural systems in 2005 and trends in greenhouse gas emissions from man-made sources and of net greenhouse gas emissions from natural systems adjusted for all of the following:
 - Meteorological, economic, and other variable factors that cause significant deviations from normal trends.
 - Changes in energy use, fuel composition, and other factors likely to permanently affect future emissions, or sequestration, of greenhouse gases.
 - *Emission reporting requirements.*
 - The DNR is required to promulgate a rule to revise the air contaminant emissions reporting requirements in effect on the effective date of this bill, to set the reporting level for carbon dioxide at 10,000 tons per year and to require a person owning or operating a stationary

source who is required to report carbon dioxide emissions to also report methane and nitrous oxide emissions from the combustion of a solid, liquid, or gaseous fuel.

- After it complies with the above provision, the DNR may promulgate a rule that modifies the reporting requirements described above.

○ *Quadrennial Assessment*

- No later than March 1, 2014, and every 4 years thereafter, the DNR shall prepare an assessment of the changes in greenhouse gas emissions in this state and of public and private climate change goals and programs, based on the inventories and analyses and other relevant information. In the assessment, the DNR shall address at least all of the following:
 - Whether this state is achieving the applicable greenhouse gas emission reduction goal.
 - Whether the state is making continuous progress in reducing net greenhouse gas emissions in accordance with the goal.
 - If this state is not achieving the applicable greenhouse gas emission reduction goal or is not likely to achieve its future greenhouse gas emission reduction goals, proposals for alternative programs for meeting the goals.
 - Whether any state or local governmental climate change goal or nonregulatory program should be modified to make the program more effective at reducing net greenhouse gas emissions or mitigating the effects of climate change or less costly to implement.
 - Whether any state or local governmental climate change goal or nonregulatory program should be modified or created to respond to a new federal initiative relating to climate change or a new scientific understanding of climate change processes or effects.
 - Estimates of the likely reductions in greenhouse gas emissions and of the effects on energy use in this state and on the state's economy associated with each new program or program change analyzed.

○ *Consultation and Assistance*

- The DNR shall consult with the climate change coordinating council in fulfilling its duties.
- Other state agencies shall assist the DNR to the fullest extent possible in fulfilling its duties.

○ *Public Review*

- The DNR shall provide an opportunity for public review and comment on all of the following:
 - The inventories under this section.
 - The methodologies used to estimate the effects of policies and other factors on changes in net emissions of greenhouse gases.
 - The assessments under this section.

○ *Policy Review and Report*

- No later than June 1, 2014, and every 4 years thereafter, the climate change coordinating council shall submit a report to the legislature and to the governor on all of the following:
 - Whether this state is achieving the applicable greenhouse gas emissions reduction goal;

- Whether the state is making continuous progress in reducing net greenhouse gas emissions; and
- Whether this state is likely to achieve its future greenhouse gas emission reduction goals and, if not, recommended changes in programs needed to achieve the goals.
- Other recommended changes in state and local governmental climate change goals and programs.
- The likely reductions in greenhouse gas emissions and effects on energy use in this state and on the state's economy associated with each program change recommended.
- Whether any climate change goals should be modified and whether any new climate change goals should be created.
- The climate change coordinating council shall base its report on the assessment and other information received by the council.
- *Internet Site*
 - The DNR, in consultation with the climate change coordinating council, and the administrator of the statewide energy efficiency and renewable resources programs and other appropriate public and private entities providing educational and training programs on climate change to the public shall establish and maintain an Internet site on climate change.
 - The DNR is required to make all of the following available on the Internet site:
 - The information under this section.
 - The inventories and analyses under this section.
 - The assessments under this section.
 - The reports under this section.
 - The assessments and reports related to climate change state agencies are required to submit to the DNR or the climate change coordinating council.
- **Climate Change Coordinating Council** (Wis. Stat. §15.347(3); Section 1; pp. 30-31):
 - *Creation of the Climate Change Coordinating Council:*
 - Within the Dept. of Natural Resources (DNR), a new agency known as the Climate Change Coordinating Council is created consisting of the following members:
 - The secretary of administration or his/her designee.
 - The secretary of natural resources or his/her designee.
 - The secretary of commerce or his/her designee.
 - The secretary of agriculture, trade and consumer protection or his/her designee.
 - The secretary of health services or his/her designee.
 - The secretary of transportation or his/her designee.
 - The president of the University of Wisconsin System or his/her designee.
 - The chairperson of the public service commission or his/her designee.
 - The executive director of the office of energy independence or his/her designee.

- One person to represent the governor, appointed to a 4-year term.
 - A person who is authorized to appoint a designee may only appoint a designee who is an employee or appointive officer of the person's agency.
- *Duties of the Council*
 - The council shall prepare reports under this section.
 - The council shall assist state agencies in improving and coordinating their programs relating to climate change.
 - The council, in consultation with the administrator of the statewide energy efficiency and renewable resources programs and other appropriate public and private entities providing educational and training programs on climate change to the public shall promote and coordinate state educational and training programs related to climate change, including programs that provide information on all of the following:
 - Statewide goals for the reduction of greenhouse gas emissions and other related statewide goals for reducing the consumption of fossil fuels.
 - Assessments of changes in greenhouse gas emissions in this state and of state climate change goals and programs.
 - Activities by state agencies to meet goals for the reductions of their greenhouse gas emissions and to meet their related goals for energy efficiency and the use of energy derived from renewable sources.
 - State, local, and federal governmental programs related to or affecting climate change.
 - Actions that persons can take to reduce the amount of their greenhouse gas emissions.
 - Other significant mitigation and adaptation strategies that address climate change.
 - The causes and effects of climate change.
 - The council shall give priority to promoting and coordinating programs for students in kindergarten through 12th grade and to undergraduate and graduate students and their teachers.
- *Subcommittees*
 - The council may create subcommittees to assist in its work. The council may appoint to its subcommittees members of the council, employees of the agencies with members on the council, employees of other state agencies, representatives of counties and municipalities, and others.
 - The council shall consider the need for subcommittees on the subjects within the scope of its duties and other subjects determined to be appropriate by the council.

2. Expanded Conservation and Energy Efficiency

- Current Law
 - Under current law, each energy utility is required to spend 1.2% of its annual operating revenues for energy efficiency and renewable resource programs.

- Energy utilities are required to contract with one or more persons to administer the programs.
- The statewide programs funded by the revenues collected must include components to address the energy needs of residential, commercial, agricultural, institutional, and industrial energy users and local units of government, and initiatives to address market barriers to the offering of goods and services relating to energy efficiency and renewable resources.
- Utilities are allowed to recover the cost of the energy efficiency and renewable resource programs in rates.
- Proposed Law
 - The proposed law would change way the energy efficiency and renewable resource programs are funded and implemented.
 - Grants rulemaking authority to the PSC to do the following:
 - The commission shall exercise its regulatory authority to ensure that the maximum reductions in the use of and demand for electricity and natural gas are achieved through the implementation of cost-effective energy efficiency and conservation programs, utility demand response and load management programs, and tariffs designed to reduce energy use, while taking account of the costs and benefits for customers and the need to maintain a highly reliable system capable of delivering an adequate supply of electricity and natural gas at reasonable cost.
 - Creates new definition for Biomass:
 - “Biomass” means plant material or residue, biological waste, or landfill gases. “Biomass” does not include garbage, as defined in s. 289.01 (9), or nonbiological industrial, nonbiological commercial, or nonbiological household waste.
- The proposed law repeals the existing funding mechanism for the “Energy Efficiency and Renewable Resource Programs” and replaces it with the following language:
 - **Quadrennial proceedings; generally.** (Par. bc) (Wis. Stat. §196.374(3)(bc); Section 106; pp. 81-85).
 - Every 4 years, the Public Service Commission (“commission”) shall, after notice and opportunity to be heard, conduct a proceeding for making assessments, establishing goals, establishing funding requirements, and allocating the funding requirements.
 - *Quadrennial potential studies* (Par. bg)
 - (Subd. 1) The commission shall assess the reduction in the use of and demand for each target fuel that can be achieved in each year of the quadrennium through all of the following:
 - (1.a) Cost-effective energy efficiency and renewable resource programs administered by energy providers or other persons.
 - (1. b) Programs and policy mechanisms under the commission’s jurisdiction, including demand response and load management programs, tariffs designed to reduce energy use or promote customer applications of renewable resources, and the renewable portfolio standard.
 - (1.c) Low-income weatherization programs.

- (1. d.) Other programs and policy mechanisms, including appliance and equipment efficiency standards, mandatory and voluntary energy conservation standards for buildings, and voluntary certification programs.
- Reductions in use of and demand for a target fuel in assessments shall be expressed as percentages of total sales for the target fuel.
- *Quadrennial goals (bn)*
 - For each year of the quadrennium following the proceeding under par. (bc), the commission shall establish a goal for the reduction in demand for and use of each target fuel that can be achieved under the statewide programs, and a goal for the reduction in demand for and use of each regulated fuel that can be achieved by or on behalf of each municipal utility and retail electric cooperative, as follows:
 - For each regulated fuel:
 - (Subd. 1. a.) Estimate the total sales of the regulated fuel that will occur in the year.
 - (Subd. 1. b.) Estimate the proportion of the amount estimated under subd. 1. a. that will be attributable to sales by all energy utilities in the year and multiply the proportion estimated under this subd. 1. b. by the amount estimated under subd. 1. a.
 - (Subd. 1. c.) Estimate the proportion of the amount estimated under subd. 1. a. that will be attributable to sales by each municipal utility or retail electric cooperative in the year and multiply the proportion estimated under this subd. 1. c. by the amount estimated under subd. 1. a.
 - (Subd. 1. d.) Determine the difference between the percentages determined under par. (bg) 1. a. and c. for the regulated fuel for the year.
 - (Subd. 1. e.) Multiply the product determined under subd. 1. b. by the difference determined under subd. 1. d. The resulting product shall be the goal under the statewide programs for the regulated fuel for the year, unless modified by the commission under sub. (8) (b) 2.
 - (Subd. 1. f.) Multiply the product determined under subd. 1. c. for a municipal utility or retail electric cooperative by the difference determined under subd. 1. d. The resulting product shall be the goal for the regulated fuel for the year for the municipal utility or retail electric cooperative, unless modified by the commission, and except that the commission may revise the goal if the commission determines that the goal is unreasonable considering the composition of the membership or customer base of the municipal utility or retail electric cooperative.
 - For each unregulated fuel:
 - Estimate the total sales of the unregulated fuel that will occur in the year.
 - Determine the difference between the percentages determined under par. (bg) 1. a. and c. for the unregulated fuel for the year.
 - Multiply the estimate under subd. 2. a. by the difference determined under subd. 2. b. The resulting product shall be the goal under the statewide programs for the unregulated fuel for the year, unless modified by the commission under.

- *Quadrennial funding requirements (br)*
 - 1. ‘Statewide programs.’ The commission shall determine the amount of funds necessary for statewide programs for each target fuel for each year of the quadrennium following the proceeding under par. (bc) as follows:
 - (1.a) For each target fuel, determine the amount of funds necessary to achieve the goal determined under par. (bn) 1. e. or 2. c. for the year.
 - (1.b.) Subtract from the amount determined under subd. 1. a. the total amount that the commission allows all energy utilities to pay for utility-administered programs for the target fuel in the year.
 - (1.c) Subtract from the amount determined under subd. 1. b. the total amount of funding the commission allows for all large energy customer programs for the target fuel in the year. The result determined under this subd. 1. c. shall be the amount of funding necessary for statewide programs for the target fuel in the year.
 - 2. ‘Municipal utilities and retail electric cooperatives.’
 - Except as provided in sub. (7) (bg), each municipal utility and retail electric cooperative shall determine the amount of funds necessary to achieve the goal determined under par. (bn) 1. f. for each regulated fuel for each year of the quadrennium following the proceeding under par. (bc).
- *Funding allocation (bw)*
 - A prime supplier shall report to the commission, in the form specified by the commission, the amount of unregulated fuel that the prime supplier imports into this state each year for ultimate use by end users in this state.
 - In the proceeding under par. (bc), for each target fuel, the commission shall determine the percentage of total sales of the target fuel by all energy utilities and prime suppliers in the quadrennium prior to the proceeding that is attributable to each energy utility and prime supplier.
 - For each regulated fuel, the commission shall order each energy utility to collect from its customers in each year of the quadrennium following the proceeding under par. (bc) an amount equal to the percentage determined for the energy utility under subd. 2. multiplied by the amount determined under par. (br) 1. c. for the regulated fuel for the year and pay the amount to a statewide programs contractor.
 - For each unregulated fuel, the commission shall order each prime supplier to pay to a statewide programs contractor in each year of the quadrennium following the proceeding under par. (bc) an amount equal to the percentage determined for the prime supplier under subd. 2. multiplied by the amount determined under par. (br) 1. c. for the unregulated fuel for the year.
- **Program Audits and Reports** (Wis. Stat. §§ 196.374 (3); Sections 111-112):
 - *Audits.* (Amends Wis. Stat. § 196.374 (3)(d)). Provides that the PSC shall contract with one or more independent auditors to prepare a financial and performance audit of the statewide, utility-administered, supplemental utility, and large energy customer programs. The purpose of the audit is to evaluate the programs and measure the performance of the programs against the goals approved by the PSC. The audit is also required to determine

the amount of reduction in the demand for and use of each target fuel that has resulted in the year under the programs.

- *Consultations.* (Creates Wis. § 196.374 (3) (dm)):
 - If an audit indicates that a program has failed to achieve one or more goals for the year of the audit, the commission shall consult with the statewide programs contractor or person administering the program regarding ways to modify the program to ensure that it will achieve its goals.
- *Compliance and Enforcement* (Creates Wis. § 196.374 (8) (a)):
 - Determinations
 - For each quadrennium following the proceeding under sub. (3) (bc), the commission shall determine the annual average reduction in demand for and use of each target fuel that is achieved under the statewide programs and achieved by or on behalf of each municipal utility and retail electric cooperative through commitment to community programs. Except as provided in subds. 1. b. and 1. c., if the annual average reduction for a target fuel equals or exceeds the average of the goals determined under sub. (3) (bn) 1. e., 1. f., or 2. c. for the quadrennium, the commission shall conclude that the goal is achieved for the quadrennium.
 - If a municipal utility or retail electric cooperative enters into a contract under sub. (7) (am) 3. with a wholesale supplier and at least one other municipal utility or retail electric cooperative enters into a similar contract with the wholesale supplier, the commission shall determine whether to conclude that a goal is achieved for a regulated fuel for a year under subd. 1. a. based on the aggregate annual average reduction that results for that regulated fuel for that year under all of the contracts.
 - If a wholesale supplier accepts assignment of a goal under sub. (7) (bg) for a regulated fuel for a year from more than one municipal utility or retail electric cooperative, the commission shall determine whether to conclude that the goal is achieved on an aggregate basis for all the municipal utilities and retail electric cooperatives for which the wholesale supplier has accepted the assignment, rather than on an individual basis for each municipal utility or retail electric cooperative.
 - For each utility-administered, supplemental utility, and large energy customer program, the commission shall determine whether the program achieved the goals approved for the program under sub. (3) (c) 2. on average over the time period in which the program is in effect or another time period specified by the commission.
 - Reviews
 - If the commission determines under par. (a) that a goal is not achieved, the commission shall investigate, as applicable, the statewide programs or the utility-administered, large energy customer, or commitment to community programs at issue, and determine the reasons for failure to achieve the goal.
 - If the commission determines under subd. 1. that a statewide programs contractor or person administering the utility-administered, large energy customer, or commitment to community program made a good faith effort to

meet the goal and that the failure is due to factors outside the statewide program contractor's or person's control, the commission shall take those factors into account in modifying goals for and, where applicable, approving future programs administered by the statewide programs contractor or person.

- If the commission determines under subd. 1. that a statewide programs contractor or person administering the utility-administered, large energy customer, or commitment to community program did not make a good faith effort to achieve the goal or that the failure to achieve the goal was due to factors within the statewide program contractor's or person's control, the commission shall implement remedies according to the rules promulgated under par. (c). The commission may determine that a statewide programs contractor or person administering the utility-administered, large energy customer, or commitment to community program did not make a good faith effort to meet a goal only if the commission finds any of the following:
 - The statewide programs contractor or person has repeatedly or grossly failed to meet a goal.
 - For a commitment to community program, the municipal utility, retail electric cooperative, or wholesale supplier administering or contracting for the program did not determine an amount of funds under sub. (3) (br) 2. or (7) (bg) 1. That could reasonably be considered necessary to achieve the goal.
 - Any other condition specified by the commission by rule.
- Remedies
 - The commission shall promulgate rules specifying remedies to implement under par. (b) 3. that are in proportion to the magnitude of the failure to achieve a goal and the degree to which a statewide programs contractor or person administering the utility-administered, large energy customer, or commitment to community program did not make a good faith effort or did not control the factors that resulted in the failure to achieve the goal. The rules shall include all of the following remedies:
 - An order that a statewide programs contractor or person take corrective actions, which may include achieving the goal in a year or other time period specified by the commission, in addition to achieving any other goal under this section that applies to that year or time period.
 - For a goal under the statewide programs:
 - An order that the energy utilities invoke any provisions of a contract under sub. (2) (a) 1., or that a statewide programs contractor invoke any provisions of a subcontract, that impose monetary penalties for failure to achieve a goal.
 - An order that the energy utilities modify or terminate the contract with a statewide programs contractor under sub. (2) (a) 1. or an order that a statewide programs contractor modify or terminate any subcontract.
 - For a goal under a utility-administered or large energy customer program, an order modifying or terminating the program.

- For a goal of a municipal utility or retail electric cooperative, an order requiring the municipal utility or retail electric cooperative to modify or terminate a contract with or assignment to a wholesale supplier under sub. (7) (am) 3. or (bg), or enter into a contract with a statewide programs contractor under sub. (7) (am) 2., or an order requiring both.
- Any other remedy specified by the commission.
- **Utility Earnings on Investments in Energy Conservation** (Wis. § 196.374 (9); Section 148; pp. 98-99).
 - The commission may allow an energy utility to earn a return on capital invested under a utility-administered or supplemental utility program for energy conservation or efficiency equipment that is located on customer premises, including equipment owned by either the energy utility or a customer. The commission may make such an allowance only if the commission determines that the investment is prudent and a cost-effective means of advancing energy conservation or efficiency.
 - If the commission makes an allowance under par. (a), all of the following apply:
 - If the investment is made to replace existing equipment, the commission shall allow the energy utility to earn a return only on that portion of the investment that can be attributed to improving energy conservation or efficiency in comparison to the existing equipment.
 - If the investment is made to install new equipment that does not replace existing equipment, the commission shall allow the energy utility to earn a return only on that portion of the investment that can be attributed to improving energy conservation or efficiency in comparison to generally available alternative equipment.
 - The commission shall promulgate rules to implement this subsection, including rules specifying the energy conservation or efficiency equipment that qualifies for treatment under par. (a).

3. Enhanced Renewable Portfolio Standard

- Current Law:
 - 1999 Wisconsin Act 9, among other things, created a renewable portfolio standard, which requires electric utilities and retail electric cooperatives sell minimum amounts of electricity from renewable sources. The RPS established by Act 9 would reach 2.2 percent by 2011.
 - 2005 Wisconsin Act 141 modified the previous RPS. Act 141 established baselines, based on an electric provider's 2001-2003 annual sales of renewable electricity, and requires that, by 2010, an electric provider increase its annual sales of renewable electricity by two percentage points above its baseline. Act 141 set the RPS to 10 percent by 2015.
- **Proposed Renewable Portfolio Standard**
 - *Legislative Findings* (Wis. Stat. 196.378 (1g); Section 170, p. 101-02)
 - It is essential to the health and safety and economic well-being of Wisconsin that the state maintain a highly reliable electric system at all times.
 - Increased reliance on out-of-state electric generation dependent on long-distance transmission of electricity to deliver the electricity to Wisconsin creates reliability and congestion cost risks that are significantly greater than reliance on electric generation located in Wisconsin at or near centers of demand for electricity.

- Historically, Wisconsin has relied on imports of electricity from other states for about 15 percent of the state's electricity needs.
 - It is essential to the health and safety and economic well-being of Wisconsin that the state take actions to mitigate global climate change from emissions of greenhouse gases. Central to such mitigation efforts is reducing reliance on electricity produced from fossil fuels through policies such as the renewable portfolio standard.
 - As of the effective date of this law, the most abundant and affordable sources of electricity that can be used to comply with the renewable portfolio standard are wind resources in western Minnesota, the Dakotas, and Iowa. Extensive reliance on these resources for compliance with the renewable portfolio standard will produce a significant increase in dependence on imported electricity with the associated reliability and congestion cost risks.
 - To balance the competing imperatives of maintaining the reliability of the electric system and reducing dependence on electricity produced from fossil fuels, it is essential that Wisconsin adopt a renewable portfolio standard that requires at least in part the production of electricity from renewable resources in this state.
- *New Renewable Portfolio Standard* (Wis. Stat. § 196.378(2)(a); Sections 179-86; pp. 103-06)
- Amends the current goal of 10 percent electric energy consumed in the state from renewable energy by 2015 to 2013.
 - Increases the renewable energy goal to 20 percent by 2020 and 25 percent by 2025.
 - Also requires that 6 percent of all electric energy consumed in the state be generated by renewable facilities located in this state by 2020, and 10 percent by 2025.
 - Requires that by 2020 each electric provider increase its renewable energy percentage so that it is at least 16 percentage points above the electric provider's baseline renewable percentage and shall ensure that its in-state percentage is not less than 30 percent of the renewable energy percentage.
 - For the years 2021, 2022, 2023, and 2024, each electric provider may not decrease its renewable energy percentage below the electric provider's renewable energy percentage and may not decrease its in-state percentage below the electric provider's in-state percentage required this section.
 - For the year 2025, each electric provider shall increase its renewable energy percentage so that it is at least 21 percentage points above the electric provider's baseline renewable percentage and shall ensure that its in-state percentage is not less than 40 percent of the renewable energy percentage required under subd. 2. f.
 - For each year after 2025, each electric provider may not decrease its renewable energy percentage below the electric provider's renewable energy percentage required under subd. 2. h. and may not decrease its in-state percentage below the electric provider's in-state percentage required under subd. 2. h.
- *Energy Sources Deemed "Renewable"* (Wis. Stat. § 196.378 (2) (b) 1r.; Section 190; p. 107):
- *Hydroelectric Energy (Manitoba Hydro):*
 - (1.r. a.) Except as provided in subd. 1r. b. and c., an electric provider may not include in its renewable energy percentage any renewable resource credits associated with electricity derived from a hydroelectric facility that has a rated capacity of more than 60 megawatts.

- (1.r.b.) Except as provided in subd. 1r. c., an electric provider may include in its renewable energy percentage renewable resource credits associated with electricity generated after December 31, 2013, from a hydroelectric facility located outside this state that has a rated capacity of more than 60 megawatts and that is first placed in service on or after the effective date of this bill.
- (1.r.c.) Renewable resource credits associated with electricity derived from a hydroelectric facility that is located in Manitoba, Canada, that has a rated capacity of more than 60 megawatts, and that is first placed in service on or after the effective date of this bill, may be included in a renewable energy percentage only if the province of Manitoba has informed the commission in writing that the interim licenses under which the Lake Winnipeg Regulation Project and the Churchill River Diversion Project were operating on the effective date of this bill have been replaced by final licenses and that those projects have received all final approvals, licenses, and permits applicable to them under Canadian law and only if the commission determines that such final licenses and any other actions taken by the province of Manitoba or Manitoba Hydro–Electric Board constitute a reasonable resolution of the concerns of the First Nations affected by those projects.
- *Solid Waste* (Wis. Stat. § 196.378 (1r) (fg); Section 174; p. 103)
 - The combustion of refuse-derived fuel in a facility that was in service before January 1, 1998.
 - The combustion of solid waste that has been subject to a process to remove recyclable and noncombustible materials in a facility that is owned by a count in this state that was in service before Jan. 1, 1998.
- *Nonelectric Energy* (Wis. Stat. §§ 196.378 (1r) (dm) and (3m) 196.378 (3m); Sections 172 & 202; pp. 102-3; 114).
 - “Nonelectric energy” means any of the following types of energy produced or generated at a facility located in this state and placed in service on or after the law takes effect, but only if the energy displaces fossil fuel use in this state:
 - The thermal output from a cogeneration production plant, as defined in s. 79.005 (1g).
 - The thermal output from a biomass–fueled boiler, but only if, after the effective date of this subdivision [LRB inserts date], the boiler was converted from a fossil fuel–fueled boiler to a biomass–fueled boiler.
 - The thermal output of a geothermal system.
 - Biogas that is put into a natural gas transmission or distribution pipeline.
 - The thermal output of a solar water heating system.
 - Useable light delivered by a solar light pipe.
 - Energy derived from other applications, specified by the commission by rule, that produce energy other than electricity from renewable resources. The commission shall promulgate rules allowing an electric provider to include in its renewable energy percentage for a year the megawatt hour equivalent of nonelectric energy produced or generated by the electric provider in the year. The commission shall also promulgate rules allowing any person, including an electric provider, to create a certificate documenting the megawatt hour equivalent of nonelectric energy produced or generated

by the person in a year and to sell the certificate to an electric provider for inclusion in the electric provider's renewable energy percentage for that year. An electric provider who purchases a certificate may sell the certificate to another electric provider, but a certificate may be included in an electric provider's renewable energy percentage only in the year that the nonelectric energy documented by the certificate was generated. There is no limit on the number of sales in a year by electric provider.

- The rules promulgated under this section shall include requirements and procedures for determining the megawatt hour equivalent of nonelectric energy, measuring and verifying nonelectric energy, and demonstrating that nonelectric energy has displaced fossil fuel use in this state.
- *Renewable Resource Credits* (Wis. Stat. § 196.378 (3); Section 201; pp. 111-112)
 - Whenever a person generates renewable energy, the person creates renewable resource credits in an amount equal to one credit for each megawatt hour of renewable energy generated. A person that generates renewable energy may do any of the following:
 - Sell the renewable energy and the associated renewable resource credits to any other person. For renewable energy that is sold at wholesale in this state, the sale is considered to include the associated renewable resource credits unless an agreement between the parties specifies otherwise.
 - Separate the renewable resource credits from the renewable energy and sell, trade, transfer, assign, bank for future use, or permanently retire the credits or, if the person is an electric provider, elect to use the credits in the electric provider's renewable energy percentage.
 - A person that purchases renewable energy from which the associated renewable resource credits have not been separated may take any of the actions described in subds. 1. a. and b.
 - A person that purchases renewable resource credits may sell, trade, transfer, assign, bank for future use, or permanently retire the credits, or, if the person is an electric provider, elect to use the credits in the electric provider's renewable energy percentage.
 - An electric provider may use renewable resource credits created by the generation of renewable energy outside this state in the electric provider's renewable energy percentage if the credits are documented in a regional renewable resource credit tracking system designated by the commission in rules promulgated under par. (b) and the credits satisfy the requirements of this subsection and the rules promulgated under par. (b).
 - An electric provider may not use a renewable resource credit in the electric provider's renewable energy percentage if the renewable resource credit or renewable energy from which the credit has been separated has been used to comply with the renewable energy requirements of another state.
 - An electric provider may not use renewable resource credits created by the generation of renewable energy outside this state to comply with an in-state percentage requirement of the renewable portfolio standard.
 - A renewable resource credit does not expire until an electric provider uses the credit in the electric provider's renewable energy percentage or the owner of the credit retires the credit.
 - The commission shall promulgate rules that establish requirements and procedures for creating, selling, trading, transferring, assigning, banking, and retiring renewable resource credits, for an electric provider's use of renewable resource credits in the electric provider's

renewable energy percentage, and for tracking renewable resource credits under a regional renewable resource credit tracking system designated by the commission.

- The commission shall promulgate rules that allow an electric provider to include in the electric provider's renewable energy percentage renewable energy generated by the electric provider from which the electric provider does not separate renewable resource credits.
- *Other Provisions:*
 - Calculations Related to Co-Fired or Cogeneration Facilities (Wis. Stat. 196.378 (2) (bm); Section 194; pp. 108):
 - "Energy content ratio" means, with respect to a facility, the ratio in which the numerator is the energy content of the biomass, solid waste, refuse-derived fuel, or any combination of biomass, solid waste, or refuse-derived fuel, that is burned by the facility and the denominator is the energy content of the fossil fuel and the biomass, solid waste, refuse-derived fuel, or any combination of biomass, solid waste, or refuse-derived fuel, that is burned by the facility.
 - "Facility" means a facility that burns a fossil fuel and also burns biomass, solid waste, refuse-derived fuel, or any combination of biomass, solid waste, or refuse-derived fuel.
 - The amount of renewable resource credits associated with electricity supplied by a facility that may be included in a renewable energy percentage shall be an amount equal to the product of the facility's energy content ratio and the total amount of the electricity generated by the facility that is sold at retail.
 - The amount of renewable resource credits associated with thermal energy supplied by a facility that may be included in a renewable energy percentage shall be an amount equal to the product of the facility's energy content ratio and the total amount of thermal energy that is produced by the facility.
- *Public Service Commission Report and Rules* (Section 9141; pp. 170-172)
 - Renewable Portfolio Standard Report
 - The public service commission shall study options for ensuring that electric providers are able to comply with the renewable portfolio standard, including options for doing all of the following with regard to renewable energy construction projects:
 - Streamlining the regulatory approval and siting process.
 - Encouraging proposals that encompass multiple projects, with multiproject, integrative plans for the acquisition of sites, equipment, and contractors
 - Approving multiyear commitments for the acquisition of necessary equipment in a timely manner, with appropriate recovery of development costs.
 - Encouraging larger electric providers to partner with smaller electric providers.
 - No later than 6 months after the effective date of this paragraph, the public service commission shall submit a report to the legislature and governor under section 13.172 (2) of the statutes that describes the actions the commission has taken or proposes to take to implement the options specified in paragraph (b) and any recommendations for legislation necessary to fully implement the options.
 - Nonelectric Energy Rules

- The public service commission shall submit in proposed form the rules required under section 196.378 (3m) (a) of the statutes, as created by this act, to the legislative council staff under section 227.15 (1) of the statutes no later than the first day of the 6th month beginning after the effective date of this subsection.
- Large Energy Customer Program Rules
 - The public service commission shall study the rules it has promulgated under section 196.374 (3) (f) 3. of the statutes to determine whether the rules provide adequate opportunities for creating programs under section 196.374 (2) (c) of the statutes. No later than 6 months after the effective date of this subsection, the public service commission shall submit a report to the legislature in the manner provided under section 13.172 (2) of the statutes and to the governor that describes the commission's findings and the actions the commission has taken or intends to take to correct any deficiencies in the rules.
- *Wind Turbine/Transportation Report* (Section 9150; p. 172-173)
 - 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.
 - Advisory Committee
 - 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.
 - 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.
 - 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.
 - Rules Relating to Transportation Projects. The department of the effective date of this subsection. transportation shall submit in proposed form the rules required under section 85.021 (4) of the statutes, as created by this act, to the legislative council staff under section 227.15 (1) of the statutes no later than the first day of the 18th month beginning after

4. Advanced Renewable (“Feed-In”) Tariffs (Wis. Stat. 196.379; Section 208; pp. 115-118)

- *Definitions*
 - “Large electric utility” means an electric utility that had retail electric sales in 2008 of 2,500,000 megawatt hours or more.
 - “Renewable energy” means electricity derived from a renewable facility.
 - “Renewable facility” means an electric generating facility that is a small-scale facility, as determined by the PSC, and that derives energy from any of the following:
 - Photovoltaic energy.
 - Wind power.
 - Gas made from a renewable resource.
 - Any other renewable resource specified by the commission.
 - “Small electric utility” means an electric utility that had retail electric sales in 2008 of less than 2,500,000 megawatt hours.
- *Purpose*
 - The purpose of this section is to maximize the development and deployment of distributed renewable energy generation technologies used at renewable facilities without unreasonable impacts on electric utility rates.
- *Orders*
 - Except as provided below, the PSC shall issue an individual order directed to each electric utility requiring an electric utility to offer to purchase, under standard purchase terms and other conditions specified in the order, the renewable energy generated at renewable facilities within the electric utility’s service territory that are constructed after the effective date of the order.
- *Exemptions*
 - Small electric utilities.
 - In an order directed to a small electric utility, the commission may provide that the small electric utility is not required to purchase renewable energy generated at particular types of renewable facilities specified in the order.
 - Large electric utilities
 - If the PSC finds that a large electric utility’s voluntary initiatives are consistent with the purpose of this section, the PSC may do any of the following:
 - Exempt the large electric utility from the requirement.
 - In an order directed to the large electric utility, provide that the large electric utility is not required to purchase renewable energy generated at particular types of renewable facilities specified in the order.
- *Agreements*
 - Notwithstanding the above requirements, an electric utility may purchase renewable energy generated at a renewable facility under terms and conditions that differ from those specified in an

order directed at the electric utility if the electric utility and owner or operator of the renewable facility mutually agree to the terms and conditions.

- *Standard Purchase Terms*
 - An order directed to an electric utility shall specify the standard purchase terms that apply for each type of renewable facility, including terms for all of the following:
 - The price paid for renewable energy, based on the commission's consideration of all of the following:
 - The cost of producing renewable energy at the type of renewable facility.
 - A reasonable rate of return on investment for the type of renewable facility.
 - State and federal financial incentives, including production tax credits, that are available to owners or operators of the type of renewable facility.
 - A schedule of payments for the renewable energy over a sufficient period of time to allow for recovery of the construction and operation costs for the type of renewable facility.
 - A maximum limit on the generating capacity for the type of renewable facility.
- *Other conditions*
 - An order directed to an electric utility may include any of the following conditions:
 - Requirements for adjusting the standard purchase terms based on changes in operating costs for a type of renewable facility.
 - Different prices for renewable energy generated at renewable facilities of the same type that have different generating capacities.
 - Other conditions specified by the PSC.
- *Standardized agreements*
 - An order directed to an electric utility shall prescribe for each type of renewable facility a standardized agreement that includes the standard purchase terms and other conditions applicable to the electric utility's purchase of renewable energy from owners or operators of the type of renewable facility.
- *Purchase limits*
 - The commission may limit the requirement of an electric utility to purchase renewable energy under an order if the commission finds that the limit is consistent with the purpose of this section. The commission may base the limit on any of the following:
 - The number of renewable facilities from which the electric utility must purchase renewable energy.
 - The total installed generating capacity of the renewable facilities from which the electric utility must purchase renewable energy.
 - The total amount of renewable energy that the electric utility must purchase.
- *Reviews*
 - The commission shall periodically review its orders and, as appropriate, revise the standardized agreements prescribed in the orders to change the standard purchase terms and other conditions. A

revision under this subsection does not apply to a standardized agreement entered into by an electric utility and an owner or operator of a renewable facility before the effective date of the revision.

- *Renewable Resource Credits*
 - An electric utility that purchases renewable energy under an order acquires, in addition to the renewable energy, the renewable resource credits associated with the generation of the renewable energy.

5. **New Nuclear Power Plant Construction** (Wis. Stat. §§ 196.491; Sections 241-273; pp. 127-137)

- **Current Law**
 - Wisconsin currently imposes a moratorium on nuclear power plants.
 - Under Wis. § 196.493, the PSC may not authorize the construction of a nuclear power plant unless it finds that a federal facility (or a facility outside the country) will be available for the disposal of high-level waste from all Wisconsin nuclear power plants, and that the proposed nuclear plant is economically advantageous to ratepayers based on specified factors.
- **Proposed Law**
 - *Legislative Findings* (Wis. § 196.493 (1g)):
 - The legislature finds all of the following:
 - The state retains its authority under the United States constitution to exercise its police power to protect public health, safety, and welfare.
 - Determining the need for the construction of electric generating facilities and controlling land use, including the siting of new or expanded electric generating facilities, is primarily and traditionally a matter of state interest and under state control.
 - The state has a particular and unique interest in determining the need for and siting of nuclear power plants, given the size, cost, and environmental and safety issues associated with these plants and the resulting economic impact on the state.
 - As of the effective date of this law, the federal government has failed to meet its obligation to implement a policy to provide for the safe and effective disposal of spent nuclear fuel from nuclear power plants. This situation has and will continue to lead to the long-term storage of spent nuclear fuel at the sites of nuclear power plants resulting in increased risk of exposure to accidental releases of radioactive materials from the handling and storage of the spent nuclear fuel and increased expenses for local and state governments providing emergency response services to the nuclear power plants.
 - While the recent safety record of the nuclear power industry is good and the likelihood of an accident at a new or expanded nuclear power plant resulting in a major release of radioactive materials is low, if such an accident were to occur, its effects could be catastrophic to the health and safety of the people of Wisconsin, the economic well-being of Wisconsin, and the natural resources of Wisconsin.
 - To limit the risks associated with the long-term storage of spent nuclear fuel at the sites of nuclear power plants and with the operation of nuclear power plants, it is necessary that Wisconsin adopt policies that limit the number of new or expanded nuclear power plants constructed in the state.

- To distribute the risks associated with the long-term storage of spent nuclear fuel at the sites of nuclear power plants and with the operation of nuclear power plants, it is necessary that Wisconsin adopt policies that encourage the siting of nuclear power plants relatively close to the demand for the electricity produced by the plants.
 - To offset the risks associated with the long-term storage of spent nuclear fuel at the sites of nuclear power plants and with the operation of nuclear power plants, it is necessary that Wisconsin adopt policies that ensure citizens of the state will receive the maximum benefits from any new or expanded nuclear power plants constructed in the state.
 - The most effective policy to achieve the objectives in pars. (f) to (h) is to require that the entire output from any new or expanded nuclear power plant constructed in the state will be needed to meet the expected requirements for electricity of electric utility ratepayers or members of electric cooperatives in the state.
- *PSC Review and Approval* (Wis. § 196.493 (2)):
 - The plan for managing the nuclear waste from the proposed nuclear power plant is economic, reasonable, stringent, and in the public interest, given the safety and other risks presented by the waste.
 - The benefits to the state and the environment resulting from reductions of air pollutant emissions from the proposed nuclear power plant compared to emissions from feasible alternatives.
 - The proposed nuclear power plant will provide electricity to ratepayers or members of electric cooperatives in this state at a reasonable cost based upon all of the following:
 - The existence of a reliable and adequate nuclear fuel supply.
 - The costs for construction, operation, and decommissioning of nuclear power plants and for nuclear waste disposal.
 - Any other factor having an impact on the economics of nuclear power plants, as determined by the commission.
 - *Decommissioning* (Wis. Stat. §196.493 (4))
 - The commission may by order specify the method for an owner or operator of a nuclear power plant to provide reasonable assurance that funds in an amount determined by the commission will be available to decommission the plant and to dispose of spent nuclear fuel from the plant, and require the owner or operator to provide such assurance. This subsection applies to a nuclear power plant for which the PSC issues a certificate of public convenience and necessity on or after the date specified in the notice published.
 - *Nonseverability Clause* (Section 9141 (1))
 - Notwithstanding section 990.001 (11) of the statutes, if a court finds that section 196.493 (2) (am) 4. of the statutes, as created by this act, is unconstitutional, the following provisions of this act are void as well: 76.28 (1) (gm) 3., 79.04 (6) (a), 101.80 (1j) and (2m), 196.25 (1) and (1g), 196.49 (1), (1g), (2), (3) (a) and (cm), (4), and (6), 196.491 (1) (i) and (j), (3) (d) (intro.) and 2., (em), and (g), and (3m) (title), (a) (intro.), (b) 1. am. and 3. b., and (c) 1. a., 196.493 (title), (1), (1g), (1r) (ag) and (b), (2) (intro.), (a), (am) 1m., 2. c., 3., and 4., (b) (intro.), 1., 2., and 3., and (c), (3), and (4), 196.65 (1), (1g), and (2), 196.66 (1), (1g), (2), and (4) (b), 196.795 (6m) (a) 4m. and (cm) and (11) (b), 196.80 (1r), and 196.85 (1m) (a) of the statutes, the renumbering of section 196.491 (5) of the statutes, the renumbering and amendment of

section 196.491 (1) (g) and (w) 2. and (3m) (d) of the statutes, and the creation of section 196.491 (1) (g) 2. and (w) 2. b., (3m) (d) 1. and 2., and (5) (am) and (c) 1. am. and 2. bm.

6. Other Provisions Affecting the PSC and Other State Agencies

- **General Directive to Reduce Energy and Demand** (Wis. Stat. § 196.025 (1) (e); Section 67; pp. 72-73)
 - *PSC Exercise of Regulatory Authority*
 - The commission shall exercise its regulatory authority to ensure that the maximum reductions in the use of and demand for electricity and natural gas are achieved through the implementation of cost-effective energy efficiency and conservation programs, utility demand response and load management programs, and tariffs designed to reduce energy use, while taking account of the costs and benefits for customers and the need to maintain a highly reliable system capable of delivering an adequate supply of electricity and natural gas at reasonable cost.
- **PSC Authority to Order Additional Programs**
 - Energy Conservation and Efficiency Programs
 - Under current law, in a proceeding before the PSC in which an electric public utility is a party, the PSC shall not order or otherwise impose energy conservation or efficiency requirements on the electric public utility if the PSC has fulfilled all its duties under Wis. § 196.374 and any of the following is satisfied:
 - The electric utility has satisfied the requirements of Wis. § 196.374 for the year prior to commencements of the proceeding or,
 - If the electric public utility is a municipal utility, the PSC determines that the electric public utility has, on average over the 4 years preceding the commencement of the proceeding, met, in the aggregate, the quadrennial goals established in § 196.374 (3) (bn) 1. f. in this bill, for the electric public utility or the PSC determines that the electric public utility has made a good faith effort to meet the goals during the 4-year period.
- **Statewide Energy Conservation Goals Assessment** (Wis. Stat. § 196.025 (7); Section 69; p. 73)
 - No later than July 1, 2013, and at least every 4 years thereafter, the commission shall prepare and provide to the DNR an assessment of progress toward meeting the statewide energy conservation goals.

7. Vehicles, Local Carbon Fuel Standards, Transportation Infrastructure

- **California's Low Emission Vehicle Emissions** (Wis. §§ 110.20; 285.30, .305; Sections 57, 58, & 276; pp. 137-8)
 - *Current Law*
 - Under the Clean Air Act, the federal Environmental Protection Agency sets limits on pollutants that may be emitted by motor vehicles.
 - The CAA generally prohibits states from enacting motor vehicle emissions standards that differ from federal limitations. However, the CAA allows California to enact standards or limitations that differ from the federal limitations.
 - The CAA allows other states to enact motor vehicle emissions limitations that are identical to the limitations imposed by California agency, the California Air Resources Board.
 - *Proposed Law*

- The bill would create a new section (s. 285.305) that directs the DNR to promulgate rules specifying statewide emissions limitations for passenger cars, light-duty trucks, and medium-duty vehicles that are passenger vehicles and have gross vehicle weights of 10,000 pounds or less, that are identical to the California greenhouse gas emission standards under Title 13 of the California Code of Regulations.
- The DNR is required to amend its rules to maintain consistency with the California standards.
- The DNR may also promulgate rules specifying statewide emissions limitations for motor vehicles that are identical to the California emission standards for zero emission vehicles, if the DNR determines that those emission limitations are necessary for this state to meet the greenhouse gas emission reduction goals.
- Requires the DNR to study any greenhouse gas emission reduction regulations for motor vehicles, other than passenger cars, light-duty trucks, and medium-duty vehicles that are passenger vehicles and have gross vehicle weights of 10,000 pounds or less, that California adopts after Oct. 1, 2009.
- The DNR shall report the results of the study, including its conclusion regarding whether it is necessary to adopt the California regulations, to the legislative committees with jurisdiction over environmental matter by the first day of the 7th month beginning after the effective date of this bill, or beginning after California adopts a regulation, whichever is later.
- Amends Wis. § 110.20 (Wisconsin's motor vehicle emission inspection and maintenance program) by adding California's emission regulations.
- **Low Carbon Fuel Standard** (Wis. Stat. § 285.795; Section 278, pp. 139-41)
 - This provision requires the DNR to promulgate a "Low Carbon Fuel Standard" if the following occurs:
 - The Midwestern Governors Association Low Standard Advisory Group makes recommendations on the design of state low carbon fuel standards and the recommendations are endorsed by the governors of a majority of the states whose governors endorsed the Midwestern Governors Association Energy Security and Climate Stewardship Platform at the Midwest Governors Association Energy Security Summit on November 15, 2007.
 - The DNR is required to promulgate a rule, consistent with the above recommendations, which require a reduction in the carbon intensity of transportation fuels sold in this state below the carbon intensity of transportation fuels sold in this state as of a date specified in the rule.
 - If the DNR promulgates such a Low Carbon Fuel Standard rule, it is required to cooperate with other states in effectuating the requirements under the rule.
 - This includes working with other states in operating a regional system for trading credits that may be used to comply with the requirements under the rule.
 - DNR is required to consult with the DATCP, Commerce, PSC, OIE, and the UW-Extension in determining the carbon intensities for different types of transportation fuels necessary to implement the rule.
 - The DNR is also required to consult with DATCP, Commerce, DOR, PSC, and OIE to determine the method of collecting information needed to implement and enforce the rule that is most cost-effective for state government and least burdensome for the persons subject to the reporting requirements.
 - Penalties

- Any person who sells a transportation fuel in violation of a DNR shall forfeit not more than \$5,000 for each violation.
- Any person who fails to provide information requested by a state agency shall forfeit not more than \$1,000 for each violation.
- Each sale in violation of the rule and each failure to provide information constitutes a separate offense, and each day of continued violation is a separate offense.
- A court imposing a forfeiture shall consider all of the following in determining the amount of the forfeiture:
 - The appropriateness of the amount of the forfeiture considering the volume of business of the person subject to the forfeiture.
 - The gravity of the violation.
 - Any good faith attempt to achieve compliance after the person receives notice of the violation.
- **Carbon-Audited Transportation Investment** (Wis. Stat. § 85.021; Section 37; pp. 45-47).
 - Creates a new section under the Chapter 85 (Transportation) of Wisconsin Statutes.
 - If the DOT prepares an environmental assessment or environmental impact statement, under Wis. § 1.11, for a transportation project, it must include the following:
 - The greenhouse gas emissions and energy use that will result from the transportation project, over the life cycle of the project; and
 - If the DOT is also considering any alternative to the project, DOT must prepare an emission and energy evaluation for each alternative project, over the life cycle of the alternative project.
 - Any evaluation required under this bill shall take into consideration all of the following relating to the project:
 - Transportation mode.
 - Project materials.
 - Project construction methods.
 - Maintenance requirements.
 - Transportation use derived from the project, including predicted vehicle miles traveled and predicted congestion, if applicable.
 - Other pertinent factors.
 - In performing any cost-benefit analysis related to a transportation project for which an evaluation is required, the DOT shall consider the monetary value of the greenhouse gas emissions and energy use that will result from the transportation project, calculated according to the rules that the DOT is required to promulgate (see below).
 - “2030 Plan”
 - The DOT creates a “2030 plan”, which is the DOT’s statewide long-range multimodal transportation plan for the 20-year period ending in 2030.

- As part of the environmental evaluation in the DOT's 2030 plan, the department shall consider greenhouse gas emission and energy use in identifying, prioritizing, evaluating, or assessing transportation facility or service needs for the statewide transportation system.
- In revision or modification of the 2030 plan, and in any other statewide long-range multimodal transportation plan, the DOT shall consider the greenhouse gas emissions and energy use in identifying, prioritizing, evaluating, or assessing transportation facility or service needs for the statewide transportation system.
- Grants DOT rulemaking authority to calculate the monetary value of the greenhouse gas emissions and energy use that will result from transportation projects, over the life cycle of the projects, to be used in performing the cost-benefit analyses of the transportation system.
- **Technical Advisory Committee** (Section 9150; p. 172)
 - The DOT, in consultation with the DNR, shall appoint a technical advisory committee to make recommendations to the DOT on the factors to be considered, and the methodology to be used, in preparing environmental evaluations in this act.
 - The Committee shall also make recommendations to the DOT on setting monetary value for greenhouse gas emissions and energy use, based on factors such as social costs, market rates for carbon credits, and energy costs.
- **Planning Grants for Compact Development** (Wis. Stat. § 16.965; Sections 7- 12; pp. 34- 6)
 - Under current law, the Dept. of Administration may provide grants to local governmental unit to be used to finance the cost of various planning activities.
 - Under current law, DOA requires any local government that receives a grant to finance a percentage of the cost of the product or service funded by the grant.
 - Under this bill, DOA will require any local government that receives a grant for planning activities to consider, as part of the planning activities, whether (1) the improvement is in a "qualified area" or (2) will result in a reduction of travel, energy use, or emission of greenhouse gases.
 - A "qualified area" includes the following:
 - Whether any area considered for "traditional neighborhood development" is any of the following:
 - Surrounded by or adjacent to existing development.
 - Within a sewer service territory in the sewer service area provisions of an area-wide water quality management plan approved by the DNR.
 - An area consisting primarily of blighted properties.
 - An area that meets other criteria, specified by the DOA by rule, designed to ensure that the project reduces greenhouse gas emissions.
 - "Traditional neighborhood development" is defined as a compact, mixed-use neighborhood where residential, commercial and civic buildings are within close proximity to each other.
- **Model Parking Ordinance** (Wis. § 36.605; Section 20; pp. 38-9)
 - The bill requires the University of Wisconsin-Extension, in consultation with the Advisory Committee established under this bill, to develop a model market-pricing ordinance.
 - The ordinance shall include market pricing methods for on-street parking and preferred parking opportunities for vehicles with "relatively low emissions of greenhouse gases."

- In developing the model ordinance, the UW-Extension shall evaluate current practices with respect to mandatory minimum parking space requirements for public buildings.
- Once the model ordinance is completed, the UW-Extension shall make the model ordinance publicly available to interested persons and shall provide the ordinance to organizations representing local units of government in this state.
- The UW-Extension shall appoint and convene an Advisory Committee to provide guidance to the Extension in the development of the model ordinance.
- **Surface Transportation Planning** (Wis. Stat. §§ 66.0309, 85.0215; Section 21-
 - *Current Law*
 - Under current law, the Department of Transportation (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.
 - *Proposed Law*
 - *Creation of Metropolitan Planning Organizations*
 - Uses definition of Metropolitan Planning Organization under federal law (23 USC 134)
 - To carry out the transportation planning process required by this section, a metropolitan planning organization shall be designated for each urbanized area with a population of more than 50,000 individuals—
 - by agreement between the Governor and units of general purpose local government that together represent at least 75 percent of the affected population (including the largest incorporated city (based on population) as named by the Bureau of the Census); or
 - in accordance with procedures established by applicable State or local law.
 - Structure.— Each metropolitan planning organization that serves an area designated as a transportation management area, when designated or redesignated under this subsection, shall consist of—
 - local elected officials;
 - officials of public agencies that administer or operate major modes of transportation in the metropolitan area; and
 - appropriate State officials.
 - *Greenhouse Gas Emission Reduction Goals*
 - The Dept. of Transportation (DOT), in consultation with the DNR, shall establish statewide goals for reducing greenhouse gas emissions from surface transportation in this state that, if achieved, will contribute to the state achieving the statewide greenhouse gas emission reduction goals. After establishing these goals, DOT shall revise the goals whenever appropriate.
 - *Development of Strategies and Planning Methods and Procedures*

- The DOT, in consultation with the DNR, DOA, appropriate units in the University of Wisconsin System as designated by the president of the University of Wisconsin System, and metropolitan planning organizations, shall do all of the following:
 - (a) Identify strategies for reducing greenhouse gas emissions from surface transportation, other than strategies for the reduction of greenhouse gases emitted by motor vehicles or railroad trains through emission limitations or reduced fuel consumption per mile traveled by motor vehicles or railroad trains or through improvements in the greenhouse gas performance of transportation fuels. Identifying these strategies, the department shall consider all of the following:
 - Efforts to increase public transportation ridership, including through service improvements, capacity expansions, and access enhancement.
 - Efforts to increase walking, bicycling, and other forms of nonmotorized transportation.
 - Implementation of zoning and other land use regulations and plans to support increases in population density, transit-oriented development or redevelopment, or mixed-use development.
 - Travel demand management programs, including carpool, vanpool, or other car-share projects; transportation pricing measures; parking policies; and programs to promote telecommuting, flexible work schedules, and satellite work centers.
 - Surface transportation system operation improvements, including intelligent transportation systems or other operational improvements to reduce long-term greenhouse gas emissions through reduced congestion and improved system management.
 - Intercity passenger rail improvements.
 - Intercity bus improvements.
 - Freight rail improvements.
 - Use of materials or equipment associated with the construction or maintenance of transportation projects that reduce greenhouse gas emissions.
 - Public facilities for supplying electricity to electric or plug-in hybrid-electric vehicles.
 - (b) Develop methods and procedures for preparing multimodal transportation plans and transportation improvement programs that incorporate the strategies under par. (a). Where applicable and to the extent practicable, this planning and program preparation shall be based on maximizing the accessibility to destinations provided by the affected transportation systems using all relevant travel modes, including walking and bicycling.
- *Use of Strategies and Planning Methods and Procedures*
 - Beginning on the first day two years after the effective date of this subsection bill, the DOT, to the extent practicable, shall do all of the following:

- Use the methods and procedures developed under (b) (see above) in preparing its long-range statewide transportation plans and statewide transportation improvement programs.
- Incorporate the strategies developed under sub. (a) (see above) into its long-range statewide transportation plans and statewide transportation improvement program.
- *Reports and Assessments*
 - By July 1, 2013, and every four years thereafter, the DOT shall assess its progress in achieving its goals as well as the progress of metropolitan planning organizations in achieving their goals under s. 66.0309 (17) (b), and shall report its findings to the department of natural resources.
- *Financial Assistance to Metropolitan Planning Organizations*
 - After the department has identified strategies for reducing greenhouse gas emissions from surface transportation as provided in sub. (3) (a) and developed methods and procedures for preparing multimodal transportation plans and transportation improvement programs as provided in sub. (3) (b), the department may not, from any appropriation to the department under s. 20.395 or 20.866 (2), provide financial assistance to a metropolitan planning organization unless the metropolitan planning organization has made a good faith effort to satisfy the requirements under s. 66.0309 (17) (c).
- *Conformance with Federal Law*
 - If a federal law enacted after the effective dates of this bill conflicts with the requirements of this section, the DOT shall, by rule, modify the conflicting requirements to comply with the federal law.
- **Growth Accommodation Incentives**
 - *Transportation Facilities Economic Assistance Development (TFEAD program)* (Wis. Stat. § 84.185; Section 30; pp. 42-3)
 - Under current law, the DOT administers a transportation facilities economic assistance and development program (TFEAD program) under which DOT provides assistance for constructions or reconstruction of highways, airports, harbors, and railways (improvements).
 - Under current law, before DOT can provides assistance for any of the above improvements, it must be shown that the improvement increases the number of jobs in the state and only if the DOT has made determinations to 13 specifically identified factors.
 - The bill adds a 14th factor, which is whether the improvement will result in a reduction travel, energy use, or emissions from greenhouse gas emissions, or if the improvement is located in a “qualified area” (defined above).
 - *Brownfields Site Assessment Grants* (Wis. Stat. § 292.75; Section 281-86; pp. 142-44)
 - Under current law, the DNR provides grants to local governments for the purpose of investigating environmental contamination, moving abandoned containers, and conduction demolition at brownfields.
 - Under current law, a grant recipient to provide matching funds of at least 20% of the amount of the grant.

- Under this bill, the DNR may give greater weight in awarding grants if the project will result in a reduction of travel, energy use, or emissions of greenhouse gases, or if the eligible site or facility is located in a “qualified area.”
- In addition, the bill allows DNR to promulgate rules that reduces the amount of matching funds that required under the program for such a project to below 20% of the amount of the grant.
- *Brownfields Grant Program* (Wis. Stat. § 560.13; Sections 303-7; pp. 162-64)
 - Under current law, Commerce awards grants to person, including municipalities and counties, for brownfields redevelopment and associated environmental remediation.
 - In determining whether to award a brownfields development grant, 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, a 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% to not less than 50% of the cost of the project.
 - This bill grants Commerce rulemaking authority that specifies the minimum contribution by a recipient that is less than the percentage of the cost of the project, if the following apply:
 - The recipient is a city, village, town or county.
 - The project is a qualifying project, which means that:
 - The project will result in a reduction in travel, energy use, or the emission of greenhouse gases, or if any of the following applies.
 - The project is located in an area that is designated for traditional neighborhood development and at least one of the following applies:
 - The project is surrounded by or adjacent to existing development.
 - Is within a sewer service territory in the sewer service area provisions of an areawide water quality management plan approved by the DNR.
 - Is an area consisting primarily of blighted properties.
 - Is in area that meets other criteria, specified by by rule, designed to ensure that the project reduces greenhouse gas emissions.
 - The city, village, town, or county in which the project is located has adopted the design standards under s. 101.027(4)(Energy Conservation Code for Public Buildings and Places of Employment) and the project is in an area that is subject to the design standards;
 - All of the following apply:
 - The project is located in an area that is subject to either a charter under s. 299.83(7e) (Green Tier Program) issued to an association of entities that include the city, village, town, or county in which the area is located or a participation contract under s. 299.83 (6) (Tier II) entered into by the city, village, town, or county in which the area is located.
 - The DNR determines, in consultation with the Departments of Commerce, Administration, the Public Service Commission, and the Office of Energy

Independence, that implementation of the charter is likely to result in significant reductions in emissions of greenhouse gases, or in energy use by public or private entities within the city, village, town, or county.

- The project is located in a city, village, town, or county that participates in Tier I, the area in which the project is located is affected by the participation in Tier I, and the DNR, in consultation with Commerce, DOA, PSC, and OEI, that participation in Tier I is likely to result in significant reductions of emissions of greenhouse gases, or in energy use by public or private entities within the city, village, town, or county.
- *Forward Innovation Fund* (Wis. § 560.302; Section 309-10; pp. 165-67)
 - 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 such grants must provide a match of 25% of the grant or loan.
 - This provision requires Commerce to give an additional consideration to an eligible activity proposed by an eligible recipient that 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” (as defined above).
 - Commerce is authorized to establish, by rule, a match of less than 25% for a municipality that receives a grant or loan if the grant or loan is awarded to that 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” (as defined above).

8. Energy Efficient Buildings and Equipment

- **Commercial Building Codes** (Wis. Stat. § 101.27; Sections 43-49; pp. 62-65)
 - Current law requires Dept. of 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).
 - Under current law, Commerce must consider incorporating into the energy conservation code the design requirement from the most current national energy efficiency design standards, including the International Energy Conservation Code or another energy efficiency code that is generally accepted and used by engineers and the construction industry.
 - Recommendations call for requiring Dept. of 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 provides.
 - Under this bill, Commerce may promulgate stricter standards than those in the IECC or another generally accepted conservation code if:
 - Commerce takes into account the cost of complying with the stricter standards in relationship to the benefits derived from complying with the stricter standards, “including the reasonably foreseeable economic and environmental benefits to this state from any reduction in the use of fossil fuel and in emissions of greenhouse gasses.”
 - Commerce may also set standards less strict than the IECC (or other code) if:
 - Specific conditions in this state require that the less strict standards apply; and
 - The less strict standards provide the greatest energy conservation benefits that are consistent with the specific conditions.

- Voluntary Design Standards
 - Requires Commerce to promulgate rules establishing voluntary design standards for the commercial buildings.
 - The design standards must be based on voluntary design standards contained in one or more generally accepted energy conservation codes and provides that they must provide greater energy conservation benefits than those contained in the energy conservation code.
- **Agriculture Facilities** (Wis. Stat. § 101.028; Section 50; p. 65)
 - Requires Commerce to promulgate rules establishing energy conservation standards for “agriculture facilities”, which Commerce is allowed to define (which must include a barn and a milking parlor).
 - Commerce is required to consult with the Dept. of Agriculture, Trade and Consumer Protection before promulgating the rules.
- **Residential** (*one- and two-family dwellings*) (Wis. Stat. § 101.62, .63; Sections 52-54; pp. 66-69)
 - Currently, when promulgating rules that establish standards for residential dwellings it must take energy conservation into account.
 - The bill requires Commerce to promulgate an energy efficiency code by rule for residential buildings (one- and two-family dwellings).
 - The standards must base the code on 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.
- **Industrial boilers; energy efficiency** (Wis. Stat. § 101.173; Section 51; pp. 65-66)
 - An owner of an industrial boiler shall cause the boiler to be inspected on an annual basis.
 - The owner shall take such action based upon the results of the inspection as necessary to maximize the energy efficiency of, and to minimize the emission of greenhouse gases from the industrial boiler.
 - The above requirements do not apply to the following:
 - Industrial boiler owned by a cooperative association.
 - Industrial boiler used by a public utility to generate electricity.
 - An industrial boiler that is used by the operator of a wholesale merchant plant to generate electricity unless the wholesale merchant plant is a self-generator.
 - Grants rulemaking authority to Dept. of Commerce to implement and enforce the above requirements.
- **Design Standards for State Buildings** (Wis. Stat. 16.856, Sections 3; 9401 (1); pp. 31-32)
 - Directs the Dept. of Administration to ensure that the plans and specifications conform to the voluntary standards promulgated by Commerce for the following state projects:
 - New state buildings;
 - Renovations of existing state buildings affecting at least 35,000 square feet of enclosed space;
 - Projects affecting the envelope or the heating, ventilation, or air conditioning system of an existing state building.
- **New Building Energy Use Goal Assessment** (Wis. Stat. § 101.02 (23); Section 42; 61-62)

- No later than July 1, 2013, and at least every 4 years thereafter, the Dept. of Commerce shall prepare and provide to the DNR an annual assessment of progress toward meeting the new building energy use goal.
- **Appliance Efficiency Standards** (Wis. Stat. 100.215, Sections 41 & 9403 (1); pp. 59-61)

Creates a number of definitions under Wis. Stat. § 100.215 (Marketing; Trade Practices Chapter):

- “Compact audio device” – Means an integrated audio system that is encased in a single housing; that includes an amplifier, radio tuner, and attached or separable speakers; and that can produce audio from magnetic tape, compact disc, digital versatile disc, or flash memory, except that a “compact audio device does not include the following:
 - A device that can be powered exclusively by internal batteries.
 - A device that has a powered external satellite antenna.
 - A device that can produce a video output signal.
- “Digital versatile disc” means a laser–encoded plastic medium capable of storing a large amount of digital audio, video, or computer data.
- “Digital versatile disc player” means a commercially available electronic device encased in a single housing that includes an integral power supply and whose primary purpose is the decoding of digitized audio and video signals on a digital versatile disc.
- “Digital video recorder” means a device that can record audio and video signals on a hard disk drive or other device that can store the signals digitally, except that “digital video recorder” does not include a device that has an electronic programming guide.
- “Digital versatile disc recorder” means a commercially available electronic device encased in a single housing that includes an integral power supply and for which the primary purpose is the production or recording of digitized audio and video signals on a digital versatile disc, except that “digital versatile disc recorder” does not include a device that has an electronic programming guide.
- “Electronic programming guide” means an application that provides an interactive on–screen menu of television listings and that downloads program information from the vertical blanking interval of a television signal.
- “Standby mode” means the condition in which a device is connected to a power source and does not produce video or audio output signals, but can be switched into another mode with a remote control unit or an internal signal.
- “Television” means a commercially available electronic device consisting of a monitor, with or without a tuner or receiver, encased in a single housing, which is designed to receive and display an analog or digital video signal received from a terrestrial, satellite, cable, or broadband source, except that “television” does not include any of the following:
 - A multifunction device that can perform functions performed by a video cassette recorder, digital versatile disc player or recorder, digital video recorder, or electronic programming guide or that has a point–of–deployment card slot.
 - A computer monitor.
- “Video cassette recorder” means a commercially available analog recording device that includes an integral power supply and that records audio and video signals onto a tape medium for subsequent viewing.
- Prohibits the sale of the following:

- compact audio device without a permanently illuminated clock that uses more than 2 watts in standby mode;
 - compact audio device with a permanently illuminated clock that uses more than 4 watts in standby mode;
 - a television that uses more than 3 watts in standby mode;
 - a digital versatile disc player or digital versatile disc recorder that uses more than 3 watts in standby mode.
- Penalties for violating this subsection:
 - No more than \$100.

9. State and Local Government

- **State Agency Greenhouse Gas Emissions** (Wis. Stat. § 299.045; Section 290; pp. 154)
 - *Definitions.*
 - “Agency” means the department of administration, the department of agriculture, trade and consumer protection, the department of corrections, the department of health services, the department of natural resources, the department of public instruction, the department of transportation, the department of veterans affairs, and the Board of Regents of the University of Wisconsin System.
 - “Biomass” has the meaning given in s. 196.374 (1) (am).
 - “Global warming potential” has the meaning given in s. 299.03 (1) (c).
 - “Greenhouse gas” has the meaning given in s. 299.03 (1) (d).
 - *Analysis.* No later than the first day of the 13th month beginning after the date on which the department of administration prescribes the initial guidelines and protocols under s. 16.954 (2), each agency shall 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.
 - *Development and Achievement of Goals.* Each agency shall:
 - Establish achievable goals for the reduction of greenhouse gas emissions identified in its analysis under sub. (2) which shall 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.
 - Develop a plan for achieving the goals established in par. (a) by means of specific actions to be taken and completed no later than January 1, 2020.
 - *Elements of Plan.* In developing its plan under sub. (3) (b), each agency shall consider all cost-effective and technically feasible opportunities to reduce greenhouse gas emissions, including:
 - Increasing the efficiency of energy use by the agency.
 - Installing renewable energy systems in facilities used by the agency.
 - Purchasing energy derived from renewable resources for use by the agency.
 - Increasing the efficiency of boilers in existing facilities used by the agency.
 - Converting boilers in existing facilities used by the agency to fuels that result in lower net greenhouse gas emissions, including biomass fuels.
 - Reducing transportation-related emissions by the agency in all of the following ways:

- Converting the agency's on-road and off-road vehicle fleet to vehicles that are more efficient, or that use renewable fuels, or both.
- Encouraging teleconferencing in lieu of attending in-person meetings that require travel to meeting sites.
- Encouraging employees of the agency to telecommute, carpool, bicycle, walk, or use public transit.
- Reducing the idling of on-road and off-road motor vehicles operated by the agency.
- Reducing idling of on-road and off-road motor vehicles operated by any person who enters into a contract with an agency and who receives payments under that contract from moneys appropriated by this state with respect to services performed under the contract, whether or not within this state, during the period that the contract is in effect.
- Converting the refrigerants used in on-road and off-road motor vehicles in the vehicle fleet maintained by the agency to refrigerants with low global warming potential.
- Purchasing fuels for on-road and off-road motor vehicles used by the agency that are derived in whole or in part from renewable resources.
- Any other appropriate means.
 - Reducing the water and other materials used by the agency.
 - Increasing the recycling of waste generated by the agency.
 - Planting trees or deep-rooted, herbaceous, perennial plants on lands controlled by the agency, including highway rights-of-way and building grounds.
- *Biennial Reports.* No later than March 1 of each odd-numbered year each agency shall report to the department of administration in the form specified by that department concerning its progress toward achieving or success in maintaining adherence to the goals established by the agency under sub. (3) (a).
- *Idling Reduction Assistance.* The department shall assist agencies in identifying opportunities to reduce greenhouse gas emissions through development of idling reduction techniques for incorporation into agency plans under sub. (4) (f) 4. and 5.
- *Duties of Dept. of Administration* (Wis. Stat. § 16.954; Section 4; pp. 32-33)
 - Requires any state agency to prescribe guidelines and protocols for use by agencies in:
 - Estimating the amount of GHG emissions that attributable to each of those agencies.
 - Establishing achievable goals for the reduction in greenhouse gas emissions that are attributable to each of those agencies.
 - Developing plans to achieve the goals in this bill.
 - The DOA shall establish a schedule of energy efficiency goals for each agency that are designed to ensure that, by 2030, the overall energy use by all agencies is reduced to a level that is 30% lower than the overall energy use by all agencies in 2005.
 - The DOA shall establish goals for each agency that are designed to ensure that overall use by all agencies of energy derived from biomass sources is at least equivalent to the following percentages by the dates specified:
 - 10 by 2010.

- 15% by 2015.
- 20% by 2020.
- 25% by 2025.
- No later than July 1 of each odd-numbered year, the DOA shall prepare and submit to the DNR a report that summarized the reports received in that year.
- **Local Government**
 - Municipal Levy Limit (Wis. Stat. § 66.0602; Sections 23, 24, 9101, 9333; pp. 40-41)
 - Provides a new exception to the local levy limit as follows:
 - The amount that a political subdivision levies in that year to pay for energy efficiency measures and renewable energy products that result in the avoidance of, or reduction in, energy costs. The department of administration shall promulgate rules to facilitate the implementation of this subdivision by creating standards and definitions for terms including energy efficiency measures, renewable energy products, and energy costs.

10. Bioenergy

- **Energy Crop Reserve Program** (Wis. Stat. § 93.47; Section 39; pp. 50-57)
 - *Definitions:*
 - “Agronomic practices” means agricultural practices generally associated with row cropping, including row crop production, soil management, and cultivation.
 - “Native sod” means land on which the plant cover is composed principally of native grasses, grass-like plants, forbs, or shrubs suitable for grazing and browsing, and that has never been tilled for the production of an annual crop.
 - “Short rotation woody crop” means a woody crop, including willows and poplars, grown using agronomic practices.
 - *Program:*
 - DATCP shall administer the program in which it pays persons to establish and produce any eligible perennial herbaceous crop or short rotation woody crop for the production of energy or fuel.
 - *Contract:*
 - The department may enter into a contract, for a period not to exceed 10 years, with a person who applies to participate in the program under this section if all of the following are satisfied:
 - The person meets eligibility requirements (see “Eligibility” below).
 - The person’s land is eligible for enrollment (see (“Enrollment” below).
 - The person is producing or will produce an energy crop eligible (see “Eligible energy crops” below).
 - DATCP may renew a contract entered into under this section.
 - A person who has entered into a contract with the department and enrolled eligible land in the program under this section may enter into additional contracts with the department to enroll additional eligible land in the program under this section.

- If applicable, a person who enters into a contract under this section shall comply with each of the following on all lands under the person's control:
 - Sustainable planting and harvesting requirements established by DATCP by rule for perennial herbaceous crops or for short rotation woody crops.
 - Notwithstanding s. 281.16 (3) (e), the performance standards, prohibitions, conservation practices, and technical standards under s. 281.16 (3) (a) to (c).
- *Payments*
 - Subject to certain limitations (see next bullet-point below), DATCP may make any of the following payments to a person with whom DATCP has entered into a contract if the person is eligible for the payment:
 - Cost-sharing payments equal to a percentage, specified by DATCP, of the cost to establish an energy crop on the land enrolled under the contract.
 - Income replacement payments of a percentage, specified by DATCP, of the average annual net income the person earned from the land enrolled under the contract in the 5 consecutive years before the land was enrolled in the program under this section. The person may receive an annual payment under this subsection until the person is eligible to receive or has received a production payment under subd. 3. for energy crops harvested on land enrolled under the contract, or for the number of years specified by the department under sub.(8) (a) 4. a., whichever is less. A payment under this subdivision may replace a portion of the payment, as specified by the department under sub. (8) (a) 4. b., the person had received under the conservation reserve program under 16 USC 3831 to 3836.
 - Production payments, of an amount determined by DATCP for each ton of energy crop harvested and used to produce energy or fuel or sold to a person that will use the crop to produce energy or fuel.
 - If the total amount of payments to be made in a fiscal year would exceed the amount available from the appropriation under s. 20.115 (4) (d), DATCP shall prorate the payments among all persons eligible to receive a payment in that fiscal year.
 - No person eligible to receive a payment under par. (a) may receive payments in excess of the amount established by DATCP.
- *Eligibility*
 - A person is eligible to participate in the program if any of the following applies:
 - The person owns land eligible to be enrolled in the program.
 - The person controls land eligible to be enrolled in the program under a lease that covers the contract period.
- *Enrollment*
 - Except as provided below, a person eligible may apply to enroll in the program under this section any land in this state that is used or suitable for growing the crops (see "Eligible Energy Crops" below).
 - The following land may not be enrolled in the program under this section:
 - Federally owned land, other than land in this state held in trust by the federal government for an American Indian or a federally recognized American Indian tribe or band.

- Land owned by a municipality. In this subdivision, “municipality” has the meaning given in s. 66.0301 (1) (a).
- Land that is in native sod on the effective date of this bill.
- Land enrolled in the program under sub ch. I or sub ch. VI of ch. 77.
- Land enrolled in any of the following:
 - The conservation reserve program under 16 USC 3831 to 3836.
 - The wetlands reserve program under 16 USC 3837 to 3837f.
 - The grassland reserve program under 16 USC 3838n to 3838q.
 - The biomass crop assistance program under 7 USC 8111.
- *Eligible Energy Crops*
 - Except as provided below, a person may receive payments under this section for the production of any perennial herbaceous crop or short rotation woody crop to be harvested and used to produce energy or fuel.
 - No payments may be received under this section for the growth of any of the following:
 - A crop that is produced and harvested for a purpose other than the production of energy or fuel, even if the residue of the crop may be used to produce energy or fuel.
 - Any plant identified by the department of natural resources under s. 23.22 as invasive or having the potential to become invasive.
 - Any other crop specified by DATCP by rule.
- *Rulemaking*
 - DATCP shall promulgate the following by rule:
 - Rules to implement and administer the program under this section, including all of the following:
 - The application form and procedures for applying.
 - Procedures and criteria for the review and approval or rejection of an application.
 - Procedures and criteria for disbursing payments under the program, including prorating of payments.
 - Reporting required of persons who have entered into a contract with DATCP.
 - Conditions under which a person may reenroll land under this section.
 - Crops ineligible for payments.
 - The amount of, limits on, and procedures for calculating cost-sharing payments available to persons, including the manner in which the amounts of or limits on cost-sharing payments will vary with the energy crops being established and the costs required to establish that energy crop.
 - The amount of, limits on, and procedures for calculating income replacement payments, including all of the following:

- The maximum number of years a person may receive payments, which number shall depend upon the time required to establish the energy crop being established by the person.
- Limits on the amount or percent of income from payments received under the federal conservation reserve program, 7 USC 3831 to 3836, that may be included in the calculation of income replacement. The rules promulgated shall be designed to provide an incentive for persons who remove their land from the federal conservation reserve program to enroll the land in the program under this section, but small enough that those persons will not choose to withdraw their land from the federal conservation reserve program solely for the purpose of receiving payments.
- The amount of and limits on production payments, including the manner in which the amount of the payment available to a person, will vary depending upon the energy or fuel derived from the particular energy crop produced, the costs to produce the energy crop, and other factors consistent with the objectives of the program under this section.
- Procedures and criteria for allocating funds available from the appropriation under s. 20.115 (4) (d) between cost-sharing payments, income replacement payments, and production payments.
- Limits on the amount of payments that a person with whom the department has entered into a contract may receive in any payment category, in any contract year, and over the duration of the contract.
- Requirements for sustainable planting and harvesting practices, including practices to minimize consumptive water use and maximize water conservation, applicable to persons with whom the person has entered into a contract.
- To advance any of the following objectives, the department may promulgate rules to establish priorities for entering into contracts with persons and enrolling land in the program under this section, and for making payments to a person who has entered into a contract under sub. (3), based upon the attributes of the land, the agricultural practices of the person, or any other pertinent factors:
 - Maximizing carbon sequestration, as defined in s. 299.03 (1) (bm).
 - Minimizing life-cycle greenhouse gas emissions of the production, harvesting, processing, and distribution of the energy crop by minimizing any of the following:
 - The distance the energy crop must be transported between the point of production and the point of end use.
 - The use of fossil fuels to plant, cultivate, and harvest the energy crop.
 - The application of fertilizer and pesticide in connection with the production of the energy crop.
 - Other energy-consuming practices.
- The preservation of farmland through a farmland preservation agreement or farmland preservation zoning.
- Providing soil and water conservation or wildlife preservation benefits.
- DATCP shall consult with the DNR in the preparation of any rules that affect the natural resources of this state.

- *Program Outcomes and Reports.*
 - DATCP shall, no later than July 1 of each odd year, submit to the departments of administration and natural resources a report containing all of the following information about the program under this section:
 - The number of acres of land enrolled in the program.
 - The number of tons and the energy content of each energy crop harvested under the program.
 - Costs of the program.
 - The extent to which the program under this section complements and is coordinated with the biomass crop assistance program under 7 USC 8111.
 - Any recommendations for legislation to improve the program under this section.
- **Bioenergy Feedstock Production Incentive Study** (Wis. Stat. § 93.475; Section 40; pp. 57-59)
 - *Definitions*
 - “Bioenergy feedstock” means biomass used to produce energy, including heat or electricity, or to produce a fuel, including transportation fuel.
 - “Biomass” has the meaning given in s. 196.374 (1) (am).
 - “Cap and trade program” has the meaning given in s. 299.04 (1) (a).
 - *Study*
 - The department of agriculture, trade and consumer protection shall, in consultation with the department of natural resources, study whether current and projected markets for bioenergy feedstocks and state and federal programs in effect on the effective date of this bill, provide adequate financial incentives to prompt producers of bioenergy feedstocks to sustainably produce a supply of biomass that, as a result of the use of that biomass as bioenergy feedstocks, will significantly contribute to the achievement of the state greenhouse gas emission reduction goals established under s. 299.03 (2). DATCP and DNR shall prepare a report on the study.
 - DATCP and the DNR shall prepare the study required under this subsection in consultation with the office of energy independence in the DOA, the public service commission, the University of Wisconsin System, the administrator of the statewide energy efficiency and renewable resource programs under s. 196.374 (2) (a) 1., representatives of natural resources and environmental organizations, and representatives of sectors of the economy in this state that are affected by the programs.
 - *After the Study*
 - If, after conducting the study DATCP and DNR determine that the financial incentives under state and federal law are inadequate to prompt producers of bioenergy feedstocks to sustainably produce a supply of biomass that will significantly contribute to the achievement of the state greenhouse gas emission reduction goals established under s. 299.03 (2), and that additional financial incentives are warranted, the department of agriculture, trade and consumer protection and the department of natural resources shall recommend changes to improve the effectiveness of financial incentives under existing state programs and propose new legislation offering additional financial incentives to prompt bioenergy feedstock producers to sustainably produce additional biomass in order to help achieve the state

greenhouse gas emission reduction goals. DATCP and DNR shall consider all of the following when making the recommendations required under this paragraph:

- Methods to reduce financial risks of bioenergy feedstock producers, such as loan guarantees and insurance.
- Expansion of a cap and trade program or a voluntary greenhouse gas emission reduction offset program to create credits for producers of bioenergy feedstocks who reduce greenhouse gas emissions during the production of bioenergy feedstocks by adopting appropriate management practices.
- Expansion of the renewable resource credits created under s. 196.378 (3) (a) 1. to authorize the creation of credits from the production or generation of nonelectric energy, as defined in s. 196.378 (1r) (dm), that is produced or generated from biomass
- No later than July 1, 2013, DATCP and DNR shall submit a report on the study together with any recommended changes to current law or recommended new legislation to the climate change coordinating council.
- **Sustainable Forest Management and Carbon Sequestration** (Wis. Stat. § 26.38, .42; Sections 16-19; pp. 36-38)
 - *Private Forest Landowner Grant Program*
 - Adds a new section to Wis. Stat. § 26.38 (2m) (b) 2.:
 - If a grant to implement a forest stewardship management plan includes a requirement that the recipient plant and maintain trees, the recipient shall provide a matching contribution not more than 25 percent of that portion of the grant that is for the cost of planting and maintaining the trees, subject to the availability of funds.
 - Adds a new section to Wis. Stat. § 26.38 (3) (d):
 - A description of the forest stewardship management plan practices that are eligible for funding under this section. Eligible practices shall include 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.
 - *Greenhouse Gas Emission Reduction Credits for Forestry Activities*
 - Standards and Practices
 - Subject to the paragraph below, DNR, in cooperation with the DATCP, the University of Wisconsin–Extension, and the council on forestry, shall specify standards and practices for monitoring and measuring carbon sequestration by forests, including standards and practices for voluntary carbon accounting on private forest lands. The department shall design the standards and practices to conform with regional or national systems for trading credits for greenhouse gas emissions.
 - The paragraph above does not apply until a regional or national cap and trade program is adopted.
 - Technical Assistance
 - DNR, in cooperation with the DATCP and the University of Wisconsin–Extension, shall provide technical assistance to promote the use of sustainable forestry practices that increase carbon sequestration by persons who own private forest lands and to assist them,

through the use of those practices, to generate credits that may be used to satisfy limits on emissions of greenhouse gases and to sell the credits.

- Identification and Notification of Owners of Private Forest Lands
 - Using the land cover database developed under s. 299.03 (5) (b) 3., county land records, geographic information systems, and other methods, the department shall identify, to the extent practicable, persons who own private forest lands and who do not participate in forestry programs administered by the department. DNR shall notify persons identified under this subsection about information and technical assistance that is available from the department concerning carbon sequestration and sustainable forest management.

11. Air Permitting (Wis. Stat. § 285.60; Section 277; p. 139)

- Adds a new section to the “Permits and Fees” to Subchapter VII of s. 285.60:
 - As part of its continual assessment under sub. (10) in 2010 and 2011, DNR shall develop and implement measures to lessen permit obligations under this section and ss. 281.61 to 281.65 for the construction, reconstruction, replacement, or modification of a stationary source if all of the following apply:
 - The owner or operator of the stationary source is not required to obtain a major source construction permit for the proposed project.
 - The construction, reconstruction, replacement, or modification would significantly reduce emissions of greenhouse gasses, as defined in s. 299.03 (1) (d).
 - The proposed project satisfies other requirements specified by DNR by rule.

12. Cap and Trade Program Report (Wis. Stat. § 299.04; Section 289; pp. 153-54):

- Adds a new section to Wis. Stat. § 299.04:
 - DNR shall submit a report to the appropriate standing committees of the legislature, under s. 13.172 (3), and to the governor if any of the following occurs:
 - Enactment of federal legislation creating a federal cap and trade program.
 - Adoption of a federal regulation creating a federal cap and trade program.
 - Recommendation of a regional cap and trade program by governors of midwestern states, including the governor of this state, that would be applicable to any person in this state.
 - DNR shall include in the report a description of the cap and trade program and recommendations on any legislation that would be necessary to implement the cap and trade program in this state. In preparing the report DNR shall consult with state agencies that would be affected by the cap and trade program.