

The Wisconsin Apollo Alliance is a coalition of labor and environmental leaders working to catalyze a clean energy revolution and to reduce our nation's dependence on foreign oil, cut the greenhouse gas (GHG) emissions that are destabilizing our climate, and expand economic opportunity for Wisconsin businesses and communities. We believe that the new energy economy can be clean, equitable, and profitable. To further these ends in Wisconsin, we support the following:

1. PROMOTE CLEAN ENERGY MANUFACTURING

As one of the leading manufacturing states in the nation, Wisconsin is well positioned to be active in the market for manufactured components needed for renewable energy generation and increased energy efficiency. The Renewable Energy Policy Project (REPP) finds that among all states, Wisconsin ranks fourth in potential job gain and fifth in potential investment to reach a national goal of 74 GW of renewable energy generation. A \$1.6 billion investment in renewable component manufacturing in Wisconsin could generate over 14,000 new jobs.¹ Many other manufacturing possibilities exist in the energy efficiency field.

Wisconsin State Government has already taken an important step in capturing this promise through establishment of the Renewable Energy Grant and Loan Program, a 10-year \$150 million commitment to investment in R&D, commercialization, and supply chain development in the renewable energy sector.²

The Wisconsin Apollo Alliance is committed to working with the Department of Commerce to plan for the development of renewable energy component manufacturing supply chains and attracting new firms and good jobs to Wisconsin. We also support standards that would require full disclosure of subsidies received, jobs created and data on the quality of those jobs.³

2. ENACT TOUGHER APPLIANCE EFFICIENCY STANDARDS

Setting energy efficiency standards for household and commercial appliances has proven to be one of the most successful state means of reducing energy use, while also generating local jobs in the manufacture, installation, or maintenance of more energy-efficient products. Such state appliance standards typically prohibit the within-state sale of products that do not meet a stated standard. They apply to products not covered under current federal regulations or for which a waiver of federal standards could be sought.

Wisconsin does not need to reinvent any wheels here. According to a recent report from the Appliance Standards Awareness Project (ASAP) and the American Council for an Energy-Efficient Economy (ACEEE), the application of efficiency standards for fifteen products comparable to those of 10 leading states, would reduce carbon dioxide emissions by 294,000 metric tons by 2020 and save 1,981 GW by 2030.⁴ ASAP and ACEEE also offer model legislative bill language for doing so.⁵

The Wisconsin Apollo Alliance supports the passage of Wisconsin Appliance Efficiency Standards as outlined in the ASAP/ACEEE bill language, and the full implementation of rigorous appliance efficiency standards in Wisconsin.

¹ G. Sterzinger, S. Svrcek, and J. Stevens, Component Manufacturing: Wisconsin's Future in the Renewable Energy Industry (REPP: January 2006) available at www.apolloalliance.org/downloads/ApolloREPPExecSummary.pdf

² See <http://commerce.wi.gov/BDdocs/BD-REGAL%20Fact%20Sheet.pdf>

³ K. Gordon and K. Hanniman, "Corporate Tax and Subsidy Disclosure: Policy Options for Wisconsin" (COWS: June 2007), available at http://www.cows.org/about_publications_detail.asp?id=416.

⁴ These outcomes, drawn from State-by-State Energy, Economic and Environmental Benefits from New Appliance and Equipment Efficiency Standards (ASAP/ACEEE: March 15, 2006), are available at http://www.standardsasap.org/documents/a062_wi.pdf

⁵ S. Nadel, A. deLaski, M. Eldridge, and J. Kliesch. Leading the Way: Continued Opportunities for New State Appliance and Efficiency Standards (ASAP/ACEEE, March 2006), available at <http://www.aceee.org/pubs/a062.htm>



3. SET HIGHER GOALS FOR WISCONSIN'S RENEWABLE PORTFOLIO STANDARD

Investment in renewable energy generation will be slowed without a guaranteed market. A Renewable Portfolio Standard (RPS), requiring utilities to include a certain percentage of renewable power in their total energy mix, can provide that. The Lawrence Berkeley National Laboratory estimates that state renewable portfolio standards inspired nearly half the wind power capacity built in the US between 2001 and 2006.⁶

Wisconsin is one of several states with some form of RPS. But the Wisconsin standard – requiring 10 percent renewable energy use by 2015 – lags behind many other states. Wisconsin should move toward the front of the pack by increasing its RPS to 20% by 2020 and to 25% by 2025. If followed, these recommendations could reduce carbon dioxide emissions by 9.7 million metric tons by 2020 and 15.2 million metric tons by 2025.⁷

Because renewable energy will not only help us reduce GHG emissions from the utility sector but will also provide opportunities for Wisconsin's businesses and working families, we support increasing the RPS percentages and moving the 10% target date forward. Because Wisconsin has a historic strength in manufacturing, a strong workforce and an excellent technical college system, and because these advantages put us in a good position to build renewable energy and energy efficiency supply chains in Wisconsin, we support increasing the percentage of in-state generation required to at least 50% and allowing off ramps to apply. In order to do this, Wisconsin must address the inconsistent regulation of wind siting across the state. We must capture the benefits of Wisconsin's global warming policy for Wisconsinites, so we are not comfortable with including large hydroelectric generation under the RPS.

The Wisconsin Apollo Alliance supports legislation increasing the Wisconsin RPS to 20% by 2020 and to 25% by 2025 and expanding the definition of renewables to include biogas and solar or biomass thermal energy. We specifically support developing at least 50% of the new renewable capacity within the state of Wisconsin in order to capture the associated jobs and economic benefit of this policy for Wisconsin residents. We further support the passage of legislation similar to AB899/SB544, which would standardize wind siting regulations across the state.

4. MAKE A MAJOR STATE EFFORT IN BUILDING EFFICIENCY

The energy used in buildings, which are grossly energy inefficient, accounts for 40% of U.S. energy consumption, 71% of electric energy use and 43 percent of GHG emissions. Cost-effective efficiency measures, however, can increase energy efficiency 20% or more. Wisconsin's FOCUS program is a national leader in applying and measuring the effects of such measures, and the state has made a substantial commitment of ratepayer money to provide rebates and other assists to consumers interested in improving their building energy efficiency. But we can and should do more.

In the public sector, Wisconsin should fully implement the standards in Executive Order 145 for new public and publicly-financed construction and retrofits, as well as reinforcing measures such as scheduled building audits, continuous commissioning, and procurement guidelines which require energy efficient lighting, appliances, and fixtures in all public and publicly-financed buildings. For the private sector, the state should adopt the latest International Energy Conservation Code within 18 months of publication, establish a voluntary high performance green building code and aim to make all new residential and commercial buildings net zero energy users by 2030 through efficiency gains and increasing reliance on renewable energy sources. Wisconsin should adopt a point-of-sale upgrade policy that requires the installation of cost-effective measures to reduce energy use at the point of property sale. The state PSC should order its regulated utilities to make tariff-based on-bill recovery of retrofit costs available to all users, as in the Milwaukee Energy Efficiency (Me2) efficiency service proposed for Milwaukee. If this last requires a change in current law, that change should be made.

The Wisconsin Apollo Alliance supports the aggressive implementation of EO145, adoption of cutting-edge high performance building codes, and a point-of-sale upgrade policy. We support programs, such as the proposed Milwaukee Energy Efficiency (Me2) program, that both make it easier for low and moderate income families to do energy efficiency retrofits and provide job training.

⁶ Apollo Alliance, New Energy for States (February 2006), available at http://www.cows.org/pdf/rp-new_energy_states.pdf

⁷ These estimates assume 0.5% annual growth in energy consumption.

5. CAP, AUCTION AND INVEST

Energy costs are regressively distributed. While only 5 percent of median family spending, they are a much larger share of those closer to the bottom of the income distribution. In 2007, for example, they consumed an astonishing 57% of household budgets for the nearly 80,000 Wisconsin households below 50% of the federal poverty level that year.⁸

The Wisconsin Apollo Alliance supports a comprehensive, multi-sector, regional cap, trade and auction system for the Midwest. We support strong, science-based GHG-reduction targets: 25% reduction from 2005 levels by 2020 and 80% reduction from 1990 levels by 2050. The system should cover all existing and new point sources of GHG emissions; imported electricity; natural gas; diesel fuel and gasoline. We also support the auction of 100% of the credits from any cap and trade system Wisconsin or the Midwest may implement. Proceeds from the auction of such credits should be allocated, at least in part, to three complimentary priorities:

Reducing the impact of global warming policy on low-income households. This should include increased energy bill assistance and should make such assistance contingent on participation in a weatherization or energy efficiency retrofit program. To accommodate increased demand, this should include a large scale comprehensive weatherization and retrofit program for low-income households that builds on existing programs and focuses on the largest energy users first in order to reduce the need for energy bill assistance.⁹

Preparing displaced workers and low-income individuals to secure the jobs created by global warming policy. This should include attaching job quality standards to all sources of public funding.¹⁰ It should also include supporting the expansion of existing, and the creation of new, industry partnerships to focus on workforce development in the renewable energy and energy efficiency sectors.

Investing in energy efficiency. This should include prioritizing the comprehensive retrofitting for energy efficiency of residential and commercial building stock around the state. This work should build on, but greatly expand, existing programs and should be explicitly tied to workforce development partnerships. It may also include programs to promote industrial process efficiency.

The Wisconsin Apollo Alliance supports a comprehensive, multi-sector, regional cap, trade and auction system with 100% auction of the credits. Proceeds from the auction of such credits should be allocated to low-income assistance, workforce development and energy efficiency programs.

6. CREATE AFFORDABLE, ACCESSIBLE, AND COMPREHENSIVE PUBLIC TRANSIT SYSTEMS

Municipal and regional transit systems in Wisconsin are currently funded by farebox proceeds, advertising revenue, local property taxes and limited amounts of state and federal funding. This funding mix has not kept up with rising costs, especially of fuel, and has limited the ability of transit systems to provide first class service. A common solution to this problem in other states is the Regional Transit Authority. Wisconsin does not grant municipalities the ability to form Transit Authorities. This could be easily fixed by the legislature.

The economic corridor between Minneapolis, Madison, Milwaukee and Chicago, sometimes called the I-94 corridor, could be the economic backbone of the Midwest if these regions were better connected by transit. A regional rail system running between these cities, similar to the rail system running between the major East Coast cities, would provide an energy-efficient alternative that would allow business travelers to easily get from one downtown to another for day or overnight trips, without getting in cars or on planes. This would dramatically reduce carbon emissions in the state and provide new business and recreational opportunities in each of these cities.

The Wisconsin Apollo Alliance supports the passage of legislation that would allow municipalities to form Regional Transit Authorities. The Wisconsin Apollo Alliance further supports increasing the non-federal share for intercity and local commuter rail projects.

⁸ Fisher, Sheehan & Colton Public Finance and General Economics, On the Brink: 2006: Home Energy Affordability Gap: Wisconsin (Belmont, MA: 2007), available at: http://www.homeenergyaffordabilitygap.com/downloads/2006_Released_Apr07/States/Wisconsin.pdf

⁹ Ad-hoc Low Income Work Group "Final Report" (Governor's Task Force on Global Warming, 2008) available at: http://dnr.wi.gov/environmentprotect/gtfgw/documents/AHLI_final_report.pdf. See also the Milwaukee Energy Efficiency (Me2) project at http://www.cows.org/collab_projects_detail.asp?id=54.

¹⁰ Apollo Alliance, New Energy for States (February 2006) available at: http://www.cows.org/pdf/rp-new_energy_states.pdf

7. ENACT A LOW CARBON FUEL STANDARD

Over-reliance on petroleum and its increasingly volatile and rising prices puts Wisconsinites at economic risk. It is imperative, therefore, to minimize the state's reliance on oil by proactively reducing our dependence on fossil fuels. Adopting a low-carbon fuel standard (LCFS) would represent a step in the right direction. Modeled on California's example, an LCFS would require fuel providers to sell a mix of fuel with a declining GHG emissions profile. The profile would be measured in BTUs on a lifecycle basis (that is, in terms of emissions generated during both the production and consumption of the fuel). Providers would need to prove, on an annual basis, that they are complying with the standard. The goal of the policy is to reduce the carbon intensity of fuels sold in the state. A 10% reduction in carbon intensity by 2020 is realistic given existing state and federal policies. This standard could be made more stringent in the future (i.e. 20% by 2030) as new technologies come on line.

A market-based mechanism, the LCFS would not dictate the actual fuel mix – merely the standards it must meet, thus allowing the market to determine fuel combinations. The most obvious way of meeting the standard is blending petroleum with sustainable biofuels. Providers could also meet the standard by selling petroleum produced via new and more efficient production techniques or by purchasing credits from electrical utilities that generate electricity for plug-in hybrid vehicles.

To ensure that economic benefits are spread to state farmers and businesses, an LCFS bill should provide incentives to encourage low carbon fuel to be produced in-state and by coops. Wisconsin should also consider investing in a fuel delivery system and an advanced vehicle fleet by providing low interest loans, rebates, and tax credits to increase the number of retail outlets selling low carbon fuels and to encourage in-state manufacturing and use of advanced technology vehicles.¹¹

The Wisconsin Apollo Alliance supports a Low Carbon Fuel Standard for the State of Wisconsin.

ABOUT WISCONSIN APOLLO

MISSION

The Wisconsin Apollo Alliance is advancing a clean energy revolution in our state, forging an economic future that is clean, equitable and profitable.

AGENDA

We are a coalition of labor and environmental leaders with a common goal: to expand opportunities for Wisconsin businesses and workers while reducing our dependence on foreign oil and cutting the carbon emissions that are destabilizing our climate.

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¹¹ For more information, see the California Energy Commission website: http://www.energy.ca.gov/low_carbon_fuel_standard/