

Clean Energy Jobs Act (CEJA) - SB 450/AB 649  
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The Clean Energy Jobs Act, designed to implement the recommendations of the Governor's Task Force on global Warming, is challenging to understand and explain. For those wanting to learn more, there is a short (8 page) overview of the bill, a longer (65) page description, a link to the bill itself, and the power point presentation of legislative council staff from the January 20 informational hearing before the Senate Select Committee on Clean Energy\* at <http://www.legis.state.wi.us/lc/publications/climate/index.htm>. You may also watch the entire hearing on Wisconsin Eye at [www.wiseye.org](http://www.wiseye.org). These are a few of the bill's major provisions.

#### Setting Goals to Reduce Greenhouse Gas (GHG) Emissions

SB 450 establishes statewide goals of returning to 2005 emissions levels by 2014, going 22% below 2005 levels by 2022 and 75% by 2050. These goals are considered to be "aspirational", not enforceable. However, the bill does create a Climate Change Coordinating Council which must prepare a quadrennial review for the legislature about the progress the state is making towards achieving these goals.

#### Energy Efficiency and Conservation

Wisconsin already has a fairly strong statewide energy efficiency program (Focus on Energy) funded primarily through a surcharge on utility bills. The current Focus budget represents 1.2% of utility revenues (some utilities are exempt), but at present covers only users of natural gas and electricity. SB 450 expands the scope of the program to include LP gas and heating oil users.

SB 450 also changes the formula for determining the Focus budget from a percentage of revenues (1.2%) to a savings achievement percentage. The budget would be that amount of funding sufficient to achieve savings of, by 2015, 2% of all electricity used in the state and by 2013, 1% of all natural gas used. This is widely expected to significantly increase the savings realized through energy conservation and efficiency measures – the easiest, least expensive and most effective way to reduce greenhouse gas emissions.

The bill also includes several provision designed to make buildings and appliances more efficient.

#### Renewable Portfolio Standard (RPS)

Under current law, Wisconsin utilities must generate 10% of their electricity from renewable sources by 2015. Under SB 450, that goal would be 10% by 2013, 20% by 2020 and 25% by 2025. This is an extremely important policy to ensure that Wisconsin moves away from coal-fired generation plants and continues to move toward renewable sources of power. An RPS is not only an effective way to reduce our reliance on fossil fuels, it also keeps money in Wisconsin that now leaves the state to purchase fuel and creates good-paying jobs in Wisconsin.

The bill deviates from the task force report in that it would allow Orion's light pipes to count towards the RPS (see the LWVWI statement on AB 401/SB 273). This is an energy efficiency measure and logically perhaps doesn't belong in the RPS. (An incinerator fueled by solid waste and put in service before 1998, viz., the Barron County incinerator, also counts towards the RPS.) To maintain the integrity of the RPS, some people believe there should be language added to the bill to ensure that other efficiency measures cannot be counted.

\*Two special committees have been formed to deal exclusively with the CEJA. The Senate committee is co-chaired by Miller and Plale. Members are Wirch, Hansen, Jauch, Grothman, Kanavas and Lazich. The Assembly Committee is co-chaired by Black and Soletski. Members are Steinbrink, Zepnick, Parisi, Hraychuck, Mason, Huebsch, Montgomery, and Gunderson.

Another important provision in the RPS is that by 2020 6% of the 20% requirement must come from in-state facilities, and that by 2025 10% of the 25% must be in-state. This will ensure that many jobs associated with the construction of renewable energy projects will stay in Wisconsin.

### Cap and Trade

The bill does not create a cap and trade program. The task force recommended state involvement in the Midwest Governors Association (MGA) ongoing process that is considering a regional cap and trade system. The task force report explicitly stated that “a broad-based multi-sector cap and trade program...that establishes a price for greenhouse gas ...emissions is essential to meet the emission goals recommended by the Task Force.”

### Low Carbon Fuel Standard

A low carbon fuel standard imposes on fuel providers (producers, importers, refiners, and blenders) a requirement that their product meet a declining GHG emissions profile, based on a life-cycle analysis. Rather than endorsing a particular type of fuel (such as ethanol) this will incentivize fuels with the lowest carbon emissions profile.

Although the task force recommendation states only that “A LCFS in Wisconsin could harmonize with regional and/or national LCFS and biofuel policies”, SB 450 provides that such a standard be adopted in Wisconsin only if two things happen: 1) the MGA Advisory Group dealing with the issue makes a recommendation on the design of such a standard (a model rule) and, 2) that recommendation is endorsed by the governors of a majority of the Midwestern states involved in the process.

### Nuclear

Under current law, there is not a “moratorium” on nuclear power plants, but rather a “condition” that no nuclear plant may be approved unless there is a federally licensed high-level nuclear waste facility. The bill removes that condition but adds several others which many people believe may make it more difficult for a nuclear plant to be built in Wisconsin. Under the bill, the PSC must find that the plan for managing the nuclear waste is economic, reasonable, stringent, and in the public interest; that a nuclear plant be economically advantageous to ratepayers; and that the electricity generated by the plant will be needed by Wisconsin customers. Perhaps most importantly, the bill provides that these provisions will not become effective until after initial implementation of the enhanced energy efficiency program (described above) and the enhanced RPS created by the bill.

The changes allow nuclear to be “on the table” but only under carefully considered, stringent conditions, and only after many other safer and less expensive measures are taken to reduce electricity demand overall.

### Miscellaneous

Several proposals were considered late in the task force process and, although they received widespread, even consensus support in the task force, are not included in SB 450. These include:

- Enhanced water efficiency and conservation
- Recovery of untreated wood wastes
- Increased paper recycling
- Enhanced recycling
- Reduced landfilling of food wastes

