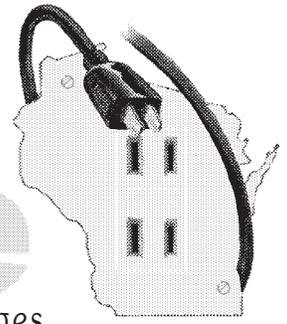


A Coalition
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Customers First! the Wire



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Revisions eyed for task force bill



Lawmaker panelists (from left) Reps. Mike Huebsch, Jim Soletski, and Spencer Black discuss the pending Clean Energy Jobs Act at the Customers First! POWER Breakfast.

Cap-and-trade alternatives pondered by lawmakers

With federal cap-and-trade legislation stalled, members of the U.S. Senate have been pitching varied alternatives in efforts to find a combination that can pass. Government affairs specialist Deborah Sliz walked attendees at the *Customers First!* annual POWER breakfast through a detailed history of the legislative dynamics that shaped today's reality and laid out new options that have evolved.

A tripartisan alternative from Senators John Kerry (D-MA), Lindsey Graham (R-SC) and Joe Lieberman (I-CT) includes reduced barriers to offshore drilling, expanded loan guarantees for new nuclear plants, an emissions cap-and-trade program, and no Environmental Protection Agency enforcement of greenhouse restrictions under the Clean Air Act.

Senator Maria Cantwell (D-WA) is offering a cap-and-trade program with 75 percent of the resulting revenues returned to taxpayers and the remaining 25 percent set aside for research and development of new energy technologies.

Senator Lamar Alexander (R-TN) has proposed a cap-and-trade program applied only to utilities, leaving industrial and manufacturing emissions exempt.

Sliz told the *Customers First!* audience the Waxman-Markey and Boxer-Kerry cap-and-trade bills are doomed for this Congress, but she maintained the issue of climate legislation "is not going away." 



Deborah Sliz

Thirty hours of public hearings brought many requests to modify the Clean Energy Jobs Act derived from recommendations of Governor Doyle's Task Force on Global Warming. Two co-authors of the legislation and a leading legislative skeptic came to the *Customers First!* Coalition (CFC) annual POWER breakfast in Madison and all agreed on at least one thing: They'll be answering those calls to revise the bill.

State Rep. Spencer Black (D-Madison) told the CFC audience, "This is not the bill I would have written" but it is a "starting point."

Arguably the bill's leading legislative proponent, Black said the measure begins to address the problem of \$16 billion in annual energy expenditures adding up to "a tremendous drain on our state's economy." On that basis, he said, "Even if global warming did not exist it makes sense" to advance the legislation.

State Rep. Mike Huebsch (R-West Salem), ranking Republican on the special Assembly committee created to hear the bill, was deeply skeptical of the proposal but he and Black agreed on some relevant concepts including energy efficiency and renewables as components of a diversified energy mix.

"Any business should be looking at energy efficiency and if the state wants to provide incentives, I'm right there for that," Huebsch said, while adding his view that mandates would needlessly drive costs higher.

State Rep. Jim Soletski (D-Green Bay), like Black, is a co-author of the proposal who is not content with all its provisions. "For me to get excited about this bill, I've got to see some changes," Soletski said.

A former nuclear power-plant worker, Soletski said language easing Wisconsin's

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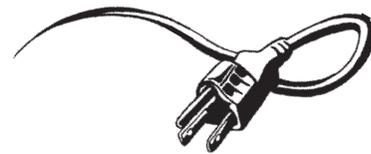
THE WIRE is a monthly publication of the *Customers First!* Coalition—a broad-based alliance of local governments, small businesses and farmers, environmental groups, labor and consumer groups, retirees and low-income families, municipal electric utilities, rural electric cooperatives, wholesale suppliers, and an investor-owned utility. *Customers First!* is a coalition dedicated to preserving Wisconsin's reliable and affordable electricity.

If you have questions or comments about THE WIRE or the *Customers First!* Coalition, please call 608/286-0784.



KEEPING CURRENT

With CFC Executive Director Matt Bromley



A provision tucked into last year's 2009–11 state budget bill has the attention of some legislators and their utility-ratepayer constituents. It requires Wisconsin utilities to charge customers a little more than \$18 million over the two-year budget period to help pay district attorney salaries. The new assessment is embedded in the low-income assistance, or public benefits, fee charged to utility customers.

Ratepayer money collected for public benefits is intended to help make energy affordable for low-income households through bill-payment and weatherization assistance, but for at least for two years, a portion will go to compensate DAs.

This isn't the first time lawmakers have tapped ratepayer funds for purposes unrelated to energy use. In the past when the public benefits fund included both the state-run low income assistance and energy efficiency and renewable resource programs, more than \$100 million was diverted to balance state budgets. Preventing future raids was partly why the legislature passed 2005 Wisconsin Act 141, which moved energy efficiency and renewable resource programs out of the public benefits fund and out of the budget process. Yet, it seems the remaining public benefits money is too tempting for legislators to leave alone.

One can certainly understand the daunting challenge of funding important services, like district attorneys, with the economy and state revenues severely down. But customer groups including the *Customers First!* Coalition have long questioned whether it's good policy to plug state budget holes with ratepayer money. CFC is concerned that public benefits will continue to be seen as a convenient funding source for programs that don't directly benefit ratepayers or are not at all related to energy use.

Sensitive to these concerns and mindful of the state's precarious finances, Senator Jim Holperin (D-Conover), with legislators from both parties, recently introduced Senate Bill 512, a worthwhile, albeit middle-ground attempt to ensure fees collected from ratepayers stay with ratepayers while keeping intact the \$18 million for district attorneys. Under SB 512, if the state budget's ending balance exceeds what the state estimated it would be on June 30, 2010, the excess must be used instead of public benefits fees for district attorney salaries. The bill is a good start towards recognizing that utility public benefits should be used as intended—to help Wisconsin ratepayers manage and reduce energy costs. 💡



Bromley

Task force bill

Continued from front page...

moratorium on nuclear plant construction needs to be clarified to make sure it's workable, arguing, "If we're going to be realistic about changing our carbon footprint, nuclear has to be an option." He conceded, however, that it is an option unlikely to be exercised either extensively or soon.

At press time for this edition of *The Wire*, a substitute amendment to the bill was being crafted and is likely to appear early in March.

With little time remaining in the legislative session, such a proposal would almost certainly comprise a few individual provisions lifted from

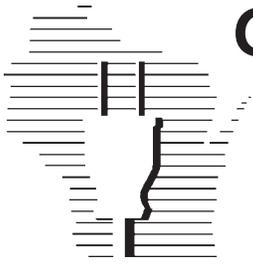
the existing draft. The challenge for proponents would then be to hold together diverse elements whose support may have been predicated on keeping an intact package. 💡

Energy saver tip

As many Americans have been seeing in recent weeks, the combination of a harsh winter and high energy prices can send utility bills through the roof. Financial aid for needy customers may be available through your local utility or county. Contact them directly if you need help or know someone who does. 💡

2010 POWER Breakfast





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Be sure
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Quotable Quotes

"My personal hunch is, 2012 at the earliest."

—Deborah Sliz, CEO of Washington, D.C., government relations firm Morgan Meguire, giving her assessment of the time frame in which federal cap-and-trade legislation regulating greenhouse emissions might be passed by Congress, at the *Customers First!* Coalition annual POWER breakfast in Madison, February 3, 2010

Help us share our messages with others. If you know of businesses or organizations that would like to learn more about protecting Wisconsin's reliable and affordable electricity, please feel free to copy and share with them all or part of this newsletter, or you can call 608/286-0784 to arrange an informational meeting.

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