



Public Service Commission of Wisconsin

Eric Callisto, Chairperson
Mark Meyer, Commissioner
Lauren Azar, Commissioner

610 North Whitney Way
P.O. Box 7854
Madison, WI 53707-7854

March 12, 2010

Senate Select Committee on Clean Energy
Wisconsin State Senate
State Capitol
P.O. Box 7882
Madison, WI 53707-7882

Assembly Special Committee on Clean Energy Jobs
Wisconsin State Assembly
State Capitol
P.O. Box 8952
Madison, WI 53708

Re: Clean Energy Jobs Act

Dear Committee Members:

Yesterday, several interest groups wrote legislators urging opposition to the Clean Energy Jobs Act. The groups warned that the cost of renewable energy standards and enhanced energy efficiency programs would be "enormous" and the benefits only "nominal." Once again, the clean energy naysayers have it wrong. Enhanced renewable portfolio standards and increasing our efforts in energy efficiency reduce our dependence on imported energy, keep more of our energy dollars here at home, and help to ensure that Wisconsin and our country is competitive in the global energy economy.

You should know that the memo from clean energy opponents includes some key factual errors.

In particular, it claims that enhanced energy efficiency programs will add \$700 million in new costs for consumers, citing a report by the Energy Center of Wisconsin (ECW). In reality, we will save money on our energy bills the more we do on energy efficiency. It is common sense – the less energy we consume, the less we pay on our utility bills.

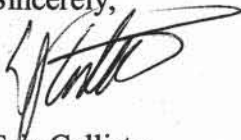
As for the ECW report, what it actually concludes is that Wisconsin consumers will save \$900 million per year in energy costs if we invest between \$350 and \$400 million in energy efficiency programs; and if we invest roughly \$700 million in energy efficiency, Wisconsin consumers will save \$2 billion per year in energy costs. For comparison, the state's *Focus on Energy* program returns \$2.30 to energy consumers for every \$1.00 invested on energy-saving programs. By any measure, those are healthy returns on our investment. Incidentally, ECW also found that enhancing our energy efficiency programs would support between 7000 and 9000 new jobs. The bottom line is that if we don't invest in energy efficiency, we will be spending significantly more on new generation.

The memo also claims that meeting a 25 percent renewable portfolio standard will add more than \$15 billion in extra costs for consumers. Increasing our renewable energy portfolio can reduce Wisconsin energy costs in the long run, particularly when implemented alongside enhanced energy efficiency programs – as the Clean Energy Jobs Act envisions. The enclosed, recent Public Service Commission analysis confirms that. Wisconsin relies far too heavily on imported fossil fuels for our energy needs, sending billions of dollars out of state every year. Our fossil fuel reliance will get even more expensive as carbon pollution regulation takes effect. To stay competitive, Wisconsin needs to invest more in clean energy generation sources that better support our local and regional economy.

Across the state, companies like Virent, Johnson Controls, Orion Energy, Wind Capital Group, Waukesha Electric, ZBB Energy, Helios USA, Cardinal Glass, Renewegy, Nature Tech, Energy Performance Specialists, Greenwood Fuels, Tower Tech and many others provide good jobs for people producing alternative forms of energy. None of these companies would be producing these jobs without good public policy, aggressive energy efficiency efforts, and renewable energy standards.

The longer we wait on clean energy policies, the farther behind we fall. The global clean-energy market could by 2020 be one of the world's largest industrial sectors, totaling as much as \$2.3 trillion. Already, China spends \$8 billion a month on renewable energy. Wisconsin is well-positioned to capture a significant share of the growing clean energy market. We cannot and should not wait any longer. The Clean Energy Jobs Act makes sense for Wisconsin businesses, our workers and families, and for generations to come.

Sincerely,



Eric Callisto
Chairperson

cc: Members, Wisconsin Legislature

Enclosure (Feb. 19 letter to Assembly Special Committee)