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Governor Proposes \$450 Million Public, Private Investment Strategy to Develop Renewable Energy

Part of Broad Effort to Create 17,000 High End Jobs in Wisconsin

Governor Jim Doyle today unveiled plans to grow Bioindustry and Renewable Energy in Wisconsin through a \$450 million public and private investment strategy – including nearly \$80 million from the state - in renewable fuel sources to help the nation achieve energy independence. The Governor's proposal, which will be included in his budget next year, is part of a broad effort to make Wisconsin the nation's leader in energy independence and create 17,000 jobs in our state.

"Here in Wisconsin, we're doing our part and setting an example for the nation in energy independence," Governor Doyle said. "This new state funding will encourage innovative new energy technologies across our state that will help the nation kick its addiction to oil. As I've always said, when it comes to our energy future, we should be more dependent on the Midwest, and less dependent on the Mideast."

The plan includes financial incentives such as bonds, tax credits, loans, and grants for companies to invest in and develop new technologies and renewable energy.

Governor Doyle's plan includes:

- **Wisconsin Energy Independence Fund.** The fund will make \$50 million in loan guarantees and low interest loans available to Wisconsin businesses looking to expand production and use of renewable fuels and energy. This investment will leverage over \$100 million in private sector support. Leaders from agriculture and forest industries, private utilities and academic institutions will oversee the administration of the fund, facilitating economic development in biopower, biofuels and bioproducts. This will help achieve Governor Doyle's goal of generating 25 percent of the state's electricity and 25 percent of transportation fuel from renewable fuels by 2025. It will also focus on capturing 10 percent of the market share for the production of renewable energy sources by 2030.
- **Wisconsin Energy Independence Tax Incentives.** Tax credits will be available for gas stations to invest in E-85 and biodiesel tanks and pumps – increasing the availability of E-85 in the state by an additional 400 pumps. Businesses with private fleets will have tax credits available to them for increasing the use of biofuels in their fleets. In addition, angel and venture capital investors will be able to access incentives through Act 255 to further renewable technology.

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- **Wisconsin Energy Independence Grant Program.** \$20 million in grants will be available for companies and researchers that are developing new technologies to increase renewable fuels, speeding the commercialization of new renewable fuel and energy technologies and leading the way to energy independence. This investment will leverage \$240 million from private investors.

One grant worth \$5 million will be earmarked to bring the first cellulosic ethanol manufacturer to Wisconsin. Building the first plant of its kind in the nation will spur production of ethanol from woody forest and timber materials and meet the state's goal of becoming the first state in the nation to produce ethanol from cellulose.

Governor Doyle kicked off the initiative by presenting \$20,000 to the Madison Area Technical College (MATC) to fund start-up costs associated with the development of the Northern Solar Testing and Certification Facility. The Governor also announced that an additional \$100,000 will be allocated for the facility's completion. Currently, there is a backlog for certification of solar panels exists because there is only one testing lab in the country. Homeowners can receive tax credits and state rebates for installing solar panels, but must first obtain certification by a testing lab to prove the panels are energy efficient. The new lab at MATC will help eliminate the certification backlog in Wisconsin and across the country, so people can receive tax credits and Wisconsin companies that manufacture solar panels can get their products out the door.

In July, Governor Doyle launched Wisconsin's "Declaration of Energy Independence," setting three broad goals for the state:

- To generate 25 percent of our electricity and 25 percent of our transportation fuel from renewable fuels by 2025.
- To capture 10 percent of the market share for the production of renewable energy sources by 2030, helping America kick its addiction to foreign fossil fuels and bringing tens of thousands of new jobs to our citizens. Achieving this goal would bring \$13.5 billion annually to Wisconsin's economy by 2030.
- To become a national leader in groundbreaking research that will make alternative energies more affordable and available to all – and to turn those discoveries into new, high paying jobs right here in Wisconsin.

The Governor has outlined a bold strategy for achieving the goals of the Declaration, including investments in ethanol and moving at least three UW campuses completely "off the grid" in the next five years. Today's announcement is part of this overall effort.