



March 25, 2010

## **Current 10% Renewable Portfolio Standard Hurting Ratepayers Democrats & Governor want a disastrous 25%**

Wisconsin's current Renewable Portfolio Standard (RPS) requires that 10% of our electricity be produced from renewable energy sources by 2015. Last year, the Public Service Commission of Wisconsin (PSC) published their five year Strategic Energy Assessment. The report stated that:

- Meeting our current RPS requires Wisconsin to install 400 megawatts of wind energy every year until 2015. (This will cost approximately \$2,320.00 per kilowatt, or \$2.32 million per megawatt. Our current RPS is clearly very costly. Some quick math shows we will have to build \$928 million in wind generation every year until 2015 to meet the current mandate. Based on economic factors, this number could vary.)
- The report states that building wind generation at this rate until 2025 would get Wisconsin to the 25% renewable level, the level mandated in Governor Doyle's Global Warming bill (AB 649/SB 450).

The Wisconsin Industrial Energy Group released some specifics last week as to the costs we are incurring. They highlighted four PSC approved wind projects that are either completed or in the planning phase, which will cost ratepayers \$1.5 billion dollars combined:

- Crane Creek wind farm: \$251 million for 99 megawatts
- Bent Tree wind farm: \$500 million for 200 megawatts
- Blue Sky Green Field wind farm: Over \$300 million for 145 megawatts
- Glacial Hills wind farm: Up to \$452 million for 200 megawatts (The PSC approved this project to meet current RPS requirements, not because new generation was needed.)

Wisconsin utilities currently produce about 5% of our electricity from renewable resources, so we are about half way to satisfying the current 10% mandate. While this costly process continues, Wisconsin now has about 30% more electrical generating capacity than demand. This demand is tied to the economy and can fluctuate. This is double the amount of excess capacity required by law.

AB 649/SB 450 will require utilities to build even more unnecessary, wildly expensive generating projects that will further raise our electric rates and drive jobs out of Wisconsin.

### **An Update on the Global Warming Bill**

Democrats continue to secretly negotiate revisions to Governor Doyle's Global Warming Bill (AB 649/SB 450 - misnamed the Clean Energy Jobs Act). On Sunday, March 21st, one of the bills Madison-based authors, Senator Miller, stated on "*Upfront with Mike Gousha*" that a revised bill was very close to completion. I expect any changes to be introduced shortly before our next scheduled floor period, which begins the week of April 12<sup>th</sup>. This timetable would limit public debate before any vote.

I expect the legislation will retain the mandate that Wisconsin produce 25% of our electricity from renewable resources by 2025. This would be a very expensive mistake and would mean many more windmills dotting our landscape, much higher electric bills and lost manufacturing jobs. Stay tuned.

Access all my reports online, at: <http://www.legis.state.wi.us/assembly/asm23/news/media.htm>.

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