



2017 ASSEMBLY BILL 204

April 5, 2017 - Introduced by Representatives R. BROOKS, KUGLITSCH, KRUG, MURSAU, SKOWRONSKI, HORLACHER, PETERSEN, JACQUE, GANNON, KREMER, MURPHY, QUINN, KNODL, VANDERMEER, KATZMA, E. BROOKS and STUCK, cosponsored by Senators ROTH, LEMAHIEU, FEYEN, STROEBEL, MARKLEIN, PETROWSKI, DARLING and COWLES. Referred to Committee on Energy and Utilities.

1 **AN ACT** *to amend* 196.378 (3) (a) 1m.; and *to create* 196.378 (1) (h) 1. k. of the
2 statutes; **relating to:** resources eligible for renewable resource credits.

Analysis by the Legislative Reference Bureau

This bill provides that heat that is a byproduct of a manufacturing process is considered a renewable resource for the purpose of the renewable portfolio standards law. Under current law, an electric utility or retail electric cooperative is subject to certain requirements for ensuring that, in a given year, a specified percentage of electricity that the utility or cooperative sells to retail customers is derived from renewable resources, commonly referred to as “renewable portfolio standards.” To meet its specified percentage, a utility or cooperative uses renewable resource credits (RRCs) that it may create or purchase from others. A utility or cooperative creates an RRC when it generates electricity from a renewable resource. Current law defines “renewable resource” to include solar and wind power, geothermal technology, biomass, and other specified resources. Under this bill, heat as described above is also a renewable resource.

Current law also allows a utility or cooperative, or its customers or members, to create an RRC based on their use of certain energy sources, to the extent that the use displaces the use of electricity derived from conventional resources. This bill provides that heat as described above that is used as thermal energy for another

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purpose may be used to create an RRC, to the extent that its use displaces the use of electricity derived from conventional resources.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 196.378 (1) (h) 1. k. of the statutes is created to read:

2 196.378 (1) (h) 1. k. Heat that is a byproduct of a manufacturing process.

3 **SECTION 2.** 196.378 (3) (a) 1m. of the statutes is amended to read:

4 196.378 (3) (a) 1m. The commission shall promulgate rules that allow an
5 electric provider or customer or member of an electric provider to create a renewable
6 resource credit based on use in a year by the electric provider, customer, or member
7 of solar energy, including solar water heating and direct solar applications such as
8 solar light pipe technology; wind energy; hydroelectric energy; geothermal energy;
9 biomass; biogas; synthetic gas created by the plasma gasification of waste; densified
10 fuel pellets described in sub. (1) (h) 1. i.; ~~or fuel described in sub. (1) (h) 1. j.;~~ heat as
11 described in sub. (1) (h) 1. k.; or heat that is a byproduct of a manufacturing process
12 and is used to provide thermal energy for another purpose; but only if the use
13 displaces the electric provider's, customer's, or member's use of electricity that is
14 derived from conventional resources, and only if the displacement is verifiable and
15 measurable, as determined by the commission. The rules shall allow an electric
16 provider, customer, or member to create a renewable resource credit based on 100
17 percent of the amount of the displacement. The rules shall also allow an electric
18 provider, customer, or member to create a renewable resource credit under this
19 subdivision regardless of when the source used to create the credit was placed in
20 service. The rules may not allow an electric provider to create renewable resource
21 credits under this subdivision based on renewable energy upon which renewable

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1 resource credits are created under subd. 1. The rules may also not allow an electric
2 provider to create renewable resource credits under this subdivision based on
3 hydroelectric energy that is not eligible for creating renewable resource credits
4 under subd. 1.

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(END)