

To: Members of the Senate Committee on Transportation and Local Government

From: Megan Novak, State Director, Americans for Prosperity - Wisconsin

Date: April 12, 2023

Subject: Support for Senate Bill 213

Chairman Tomczyk, and members of the Senate Committee on Transportation and Local Government, thank you for the opportunity to provide testimony today in favor of Senate Bill 213.

Americans for Prosperity – Wisconsin strongly supports Senate Bill 213 to ensure that no state agency and no local governmental unit may restrict the use or sale of a device based on the energy source that is used to power the device or that is consumed by the device.

Wisconsinites continue to struggle in our current economy, including over six-percent inflation rates, three times the preferred Federal Reserve goal and nine to eleven percent increases in utility costs. Many homes and businesses across the state rely on the benefits of fuel sources like natural gas and propane to heat their water and homes and cook their food.

While states like California, Washington, and New York may wish to pursue such fuel-source bans, they are ignoring the negative impacts on consumer choice, rising costs to heat homes and prepare foods, while also placing increasing pressure on electrical grids that can cause blackouts and times of reduced availability. Additionally, these bans that we see in other state will continue to impact their states' most vulnerable the hardest – the Legislature is right to protect Wisconsin citizens by proactively prohibiting these bans from occurring in our state.

In closing, Wisconsinites deserve access to affordable, dependable fuel sources to heat their homes and water, cook their food, and all else they choose, especially when facing crippling inflation and rising energy costs. Senate Bill 213 is necessary to prevent unnecessary fuel source bans that ultimately hurt consumers the most.



CORY TOMCZYK

STATE SENATOR • 29TH SENATE DISTRICT

Members of the Committee on Transportation and Local Government, Thank you for being here today to hear S.B. 212 and 213.

In recent years states and municipalities across the country have taken steps to outlaw the sale and use of vehicles and devices based on the type of fuel or energy they use. As recently as last month, Minnesota followed the lead of states like California, introducing legislation that would ban the sale and use of common gas-powered devices like lawn-mowers and snow blowers.

While technological capabilities and consumer demand continue to evolve, it is clear that existing limitations, increased costs, and even more importantly consumer preference means that moving away from traditional technology is not suitable for everyone in our state.

No state agency or local municipality should be able to provide a blanket ban on the use of commonplace, reliable, affordable technology that would ultimately harm both users and their communities.

S.B.212 and 213 protect consumer and business freedoms by preventing a ban on the sale or use of vehicles and devices based on their power source.

While electric snow blowers might work for those here in Southern Wisconsin where snow is no longer on the ground and temperatures are warmer, they don't necessarily work for communities like Hayward, Wisconsin where until the beginning of April we had nearly two feet of snow on the ground.

An electric sedan might serve the short-distance commuter in Madison, but farmers and truckers needing higher power machines, still need gaspowered devices to bring food to Wisconsin kitchen tables.



CORY TOMCZYK

At some point in the future, technology may reach a point where gas vehicles and devices are obsolete both due to cost and performance; until that time our state should ensure that whether Wisconsin residents and businesses want to plow their driveway in the winter, cook food on their existing stoves, or drive in the vehicle of their choice, they retain the freedom to choose the product that best fits their needs.



April 12, 2023

Testimony on Senate Bills 212 and 213

Thank you Chairman Tomczyk and committee members for holding a hearing today on Senate Bills 212 and 213. These bills prohibit the state and local governments from banning the use or sale of a motor vehicle or other device based on its power source. To be clear, these bills would prohibit bans on both gas-powered AND electric vehicles and other powered devices.

Wisconsin is America's Dairyland, and home to over 64,000 farms that produce not only milk and cheese, but countless other things like corn, cranberries, and soybeans - just to name a few. Without the gas-powered equipment required to produce over \$11 billion worth of commodities, the rate of production would be substantially affected and the cost for consumers would skyrocket.

Take dairy farmers for example. They use gas-powered machines to plant and harvest crops to feed their cows. Then, they use a gas-powered truck to transport milk from their farms to dairy processing facilities. If gas-powered equipment and vehicles were banned, the cost of producing and transporting milk would increase, and this in turn would increase the price of milk and any milk-based product for consumers. This would happen to every single product in every store across the state.

As reckless as it sounds, numerous cities and states across the country are placing bans on gaspowered vehicles and other devices, beginning as soon as 2035.

These bans infringe on individual freedom and choice, on distributors selling products to the consumer, and on manufacturers who produce vehicles and other gas-powered products. The responsibility should be on people, if they so believe, to educate and convince others to switch from their gas powered machines to electric. The government should not be forcing individuals to buy certain products, eliminating competition, and destroying the free market. These bills simply protect consumer choice and those businesses across our wonderful state that manufacture and sell gas powered vehicles and devices. The government at any level should not dictate what kind of vehicle or product we buy based on the energy source. These bills make sure that can't happen.

I appreciate you taking the time to hear these bills and welcome any questions you may have.



April 10, 2023

To: Members, Senate Committee on Transportation and Local Government From: Lynn Granger, American Petroleum Institute – Midwest Region

RE: Submitted testimony in support of SB 212 and SB 213

The American Petroleum Institute (API) submits this testimony in support of SB 212 and SB 213.

API represents all segments of America's natural gas and oil industry, which supports more than ten million U.S. jobs and is backed by a growing grassroots movement of millions of Americans. Our 600 members produce, process, and distribute the majority of the nation's energy, and participate in API Energy Excellence, which is accelerating environmental and safety progress by fostering new technologies and transparent reporting. API was formed in 1919 as a standards-setting organization and has developed more than 700 standards to enhance operational and environmental safety, efficiency, and sustainability.

API and its members remain committed to delivering solutions that improve air quality and help to reduce the risks of climate change while meeting society's growing energy needs. We support global action that drives greenhouse gas (GHG) emissions reductions and economic development. A federal policy with an economy-wide carbon pricing mechanism is the most efficient and transparent framework to address GHG emissions for the U.S. as a whole and for the state of Wisconsin. In the absence of an economy-wide policy, a federal technology neutral framework of carbon intensity-based fuel requirements linked to new vehicle standards on a well-to-wheels basis provides a targeted, systems-focused approach to achieving significant GHG emissions inventory reductions from the transportation sector both nationwide and for Wisconsin.

We support SB 212/AB 142 and SB 213/AB 141, since the bills provide the best opportunity for reducing vehicle emissions while promoting consumer choice and allowing the market to decide which vehicles and equipment best meet their needs.

SB 212/AB 142 (prohibited governmental actions): SB 212/AB 142 prohibits a state agency and local government from restricting the use or sale of motor vehicles based on the energy source used to power the motor vehicle, including use for propulsion or use for powering other functions of the motor vehicle without affecting how that government agency spends its own resources on their individual fleets.

SB 213/AB 141 (prohibited governmental actions): <u>SB 213/AB 141</u> prohibits a state agency and local government from restricting the use or sale of a <u>device</u> based on the energy source used to power the device or that is consumed by the device.

These bills provide consumers with the ability to choose the passenger car, truck, SUV, medium- or heavy-duty vehicle that meets their individual needs.



Why is it important for Wisconsin to pass these bills today?

Sixteen states, including nearby Minnesota, have adopted California's Advanced Clean Car program that essentially requires battery electric vehicles (BEV), plug-in electric vehicles (PHEV) and/or hydrogen fuel cell vehicles to collectively account for about eight percent of the annual volume of new light-duty vehicle sales of automobile manufacturers by 2025. Nearly three-quarters (eleven) of those states have or are expected to adopt California's Advanced Clean Car II program that mandates automakers offer to sell over one-third (35%) of their new vehicles in the state as electric vehicles by model year 2026, ramping up to over two thirds (68%) by 2030, and 100% by 2035. Said differently, the rule requires that in 2026, only 2 of 3 new automaker offers will be gasoline/diesel and by 2035, there will be no new gasoline or diesel fueled vehicles offered for sale in those states.

Multiple states¹ are adopting California's Advanced Clean Truck rule which currently requires that 55% of Class 2b-3 vehicles (3/4-ton trucks and up), 75% of Class 4-8 vehicles, and 40% of Class 7-8 tractors sold be "zero-emission vehicles" (ZEV) in 2035. The federal EPA has just approved California's request for a Clean Air Act 209(b) waiver which allows the state to implement this rule. California is not only putting mandates on truck manufacturers but to ensure that rule is effective, they have just closed the comment period (April 7, 2023) where they are expected to finalize the Advanced Clean Fleet rule that will require fleets of a certain size to purchase electric vehicles and requires sale of 100% of these medium- and heavy-duty trucks to be zero emission vehicles by 2040.

In all of these rules, CARB pre-selected a single technology, ZEVs, instead of assessing alternative technologies using a technology neutral framework of carbon intensity-based fuel requirements linked to new vehicle standards on a well-to-wheels basis. Significant GHGs are emitted during the lifecycle of a battery electric vehicle and a lifecycle perspective is required to understand any potential mitigation achieved by BEVs, since emissions are not eliminated, but rather shifted upstream in the fuel cycle (to the power plant) and potentially increased in the vehicle production supply chain.² Proponents of BEV mandating proposals sometimes describe BEVs as "zero-emission vehicles" as a way to justify government mandates. A close examination of the LCA carbon emissions on the basis of both ICE and BEV automobiles reveals this is not a full and accurate description. A meaningful discussion cannot be had without considering all emissions of different vehicle technologies.

API members are making significant investments in new fuels and process technologies that reduce carbon emissions.

Examples include:

- Stand-alone production and co-processing of bio-feedstocks to make renewable fuels,
- Manufacturing of renewable natural gas from wastewater, landfill gas, and biodigesters at farms as fuel for CNG vehicles,

¹ States that have adopted Advanced Clean Truck (ACT) rule: CA, WA, OR, CT, MA, NJ, NY, and VT. States that have proposed to adopt ACT rule: MD, NC, CO.

² See "Slow Down: The Case for Technology Neutral Transportation Policy," ConservAmerica, https://static1.squarespace.com/static/5d0c9cc5b4fb470001e12e6d/t/5fd1580999fe644e8a504a54/1607555090612/CA+Tech+Neutral+Paper+-+12.20+%281%29.pdf.

- Production of blue and green hydrogen for transportation and stationary applications including building infrastructure,
- Manufacturing of low carbon ethanol,
- Direct air carbon capture,
- Carbon capture and sequestration of CO2, and
- Installation of electric vehicle charging stations.

Finally, California has also approved regulations³ requiring most new, small off-road engines to be zero emission by 2024. The rule applies to equipment such as leaf blowers and lawn mowers. Portable generators will be subjected to this rule by 2028. Like the other rules, these requirements will only apply to new products – existing, combustion-based equipment may still be used and sold.

SB 212/AB 142 and SB 213/AB 141 are needed to staunch the possibility that the state agency or local government could, on their own initiative, adopt these California rules which would result in the consumer seeing decreased options when they go to purchase a new vehicle and/or equipment.

The free market has a proven track record of demonstrating that competition has achieved policy objectives and effectuated advanced technology at a reduced cost to the consumer. By adopting SB 212/AB 142 and SB 213/AB 141, Wisconsin would be supporting policies that allow <u>all</u> technologies, including biofuel blends (for example, E10, E15, renewable diesel, biodiesel), battery electric vehicles, hybrids and efficient gasoline and diesel vehicles to compete in the marketplace. These types of policies can ensure that the most efficient and effective technologies are implemented to achieve the goal of reducing GHG emissions in the transportation sector.

API members are applying their abilities to solve the complex challenges of GHG emission reductions in transportation in a manner that will provide affordable and reliable products that allow Wisconsinites, and all consumers, the ability to choose the transportation mode that meets their needs while meeting the policy objectives of reducing transportation emissions. For this, and the above reasons, API supports SB 212/AB 142 and SB 213/AB 141.

For more information or if you have any questions, please contact:

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https://ww2.arb.ca.gov/news/carb-approves-updated-regulations-requiring-most-new-small-road-engines-be-zero-emission-2024



TO:

Chairman Tomczyk & Members, Senate Committee on Transportation & Local

Government

FROM:

Craig Summerfield, Director of Environmental & Energy Policy

DATE:

April 12, 2023

RE:

WMC Support for Senate Bill 212 and Senate Bill 213, prohibiting government

discrimination of motor vehicles or other devices based on energy source

Wisconsin Manufacturers & Commerce (WMC) appreciates the opportunity to testify in strong support of Senate Bill 212 and Senate Bill 213. These bills prohibit a state agency or local government from banning a motor vehicle or other device based on the energy source. We especially appreciate Senator Tomczyk and Representatives Schutt and Green for bringing forward these important bills.

WMC is the largest general business association in Wisconsin, representing approximately 3,800 member companies of all sizes, and from every sector of the economy. Our membership includes Wisconsin manufacturers of small engines and outdoor power equipment. Since 1911, our mission has been to make Wisconsin the most competitive state in the nation to do business. This mission includes advocating for regulatory certainty and predictability for WMC member businesses.

Wisconsin manufacturers need the flexibility to be able to continue to produce and sell the affordable and reliable leaf blowers, lawn mowers, snow blowers, outboard motors, and many other products demanded by consumers. Unfortunately, the flexibility to use gas-powered engines in important consumer devices is increasingly under attack in other states. In addition, recent reports by Wisconsin state agencies raise questions as to whether state bureaucrats would consider restrictive government mandates here.

For example, consider the proposed transition to electric vehicles. Gov. Evers' 2022 Clean Energy Plan notes that "the percentage of electric vehicles is growing, though not at the levels required..." and includes a "goal to transition most vehicles to be EVs [electric vehicles] in the next two decades." However, according to a 2022 analysis by the Wisconsin DOT, currently only 0.1% of registered vehicles in Wisconsin are electric. In addition, DOT estimates this number may increase to 14.7% of registered vehicles by 2040, and 31.0% in 2050, though it notes such "projections should be interpreted cautiously." ²

¹ See State of Wisconsin Clean Energy Plan – Innovate Transportation, pgs. 136-147; https://osce.wi.gov/Documents/SOW-CleanEnergyPlan2022.pdf.

² See Wisconsin DOT State Plan for Electric Vehicle Infrastructure – Table 3-3: Projected Wisconsin Electric Vehicle Registrations, pg. 3-37; https://wisconsindot.gov/Documents/projects/WEVI-plan-final-22-0914.pdf.

Given this projection by the Wisconsin DOT, it is unclear how the Evers' administration anticipates its vehicle electrification target can be achieved without aggressive new government mandates. This creates needless uncertainty for the overwhelming majority of Wisconsin businesses and consumers that continue to depend on gas-powered motor vehicles for transportation, goods and services.

This uncertainty is addressed by SB 212 and SB 213. The proposals simply ensure that the motor vehicles and products needed by businesses and consumers will not be disrupted by new regulations from a state agency or local government. They also ensure consumer access to the affordable and reliable cars, trucks, motorcycles, stoves, furnaces, water heaters, fireplaces, and many other products (in addition to the aforementioned products). Finally, they ensure that any transition to electric vehicles or other electric devices occurs due to consumer demand and not heavy-handed government mandates.

WMC urges Members of the Senate Committee on Transportation and Local Government to vote in favor of SB 212 and SB 213. Thank you for your consideration. I am happy to answer any questions.



Support for Energy Choice Legislation

Wisconsin Propane Gas Association supports legislation which provides consumers the choice on which energy source to utilize and does not limit access to any single energy source. This includes consumer choice on energy sources for residential and commercial buildings as well as vehicles, devices and equipment.

Wisconsin's propane industry contributes nearly \$2 billion to our economy annually. Wisconsinites are among the highest users of propane in the country, with more than 250,000 Wisconsin residents using propane to fuel their homes. Propane is a popular choice for residential equipment and appliances such as stoves, water heaters and generators, as well as commercial and agricultural equipment like forklifts and grain dryers. Furthermore, propane powered vehicles are becoming more popular with many school bus fleets and law enforcement vehicles powered by propane autogas. Overall, propane is widely used in Wisconsin and especially necessary in rural regions and in many commercial applications.

Across the country, consumer access to propane and other energy choices are under attack by local and state officials who want to prohibit non-electric sources in buildings and construction as well as devices and equipment. According to the National Propane Gas Association, these government fiats artificially distort the energy marketplace in an anticompetitive manner and deny consumers the ability to choose the energy source that is most economic and convenient for their unique situation. In fact, per unit of energy, electricity is far more expensive than propane or natural gas. Restricting consumer access to energy options is the exact wrong approach to take as families combat historic inflation and try to cope with the rising cost of goods and services.

WPGA supports "energy choice" legislation prohibiting municipalities from restricting access to an energy source. Energy choice laws don't force consumers to use any particular energy source. Instead, they just ensure local officials are not mandating that homes and businesses use any specific energy source, regardless of extenuating circumstances. Energy choice protections in Wisconsin promote fairness and competition in the marketplace, which benefits all energy consumers – residential, commercial, industrial and agricultural.

April 12, 2023

TO: Members

Senate Committee on Transportation and Local Government

FR: Brian Dake

President

Wisconsin Independent Businesses

RE: 2023 Senate Bill (SB) 212 relating to: restrictions on use or sale of motor vehicles based on power source and 2023 Senate Bill (SB) 213 relating to: restriction on the sale or use of a device based on its energy source.

Chairman Tomczyk and committee members, my name is Brian Dake, President of Wisconsin Independent Businesses. Thank you for the opportunity to testify in support of 2023 Senate Bill (SB) 212 and 2023 Senate Bill (SB) 213.

By way of background, Wisconsin Independent Businesses (WIB) was formed in 1977 to provide small, independent business owners with an effective voice in the legislative and regulatory activities of state government. Today, we proudly represent more than 2,000 small business owners including many who at very least would breathe a sigh of relief if these bills were enacted into law. Most of our members (approximately 85%) own and operate businesses which have fewer than 25 employees and/or annual gross revenues of less than \$5 million.

Compliance with federal law and regulations, state laws and regulations, county resolutions and regulations, municipal ordinances and municipal codes is challenging, costly and time-consuming for small business owners. Compliance is less burdensome for them when statutory or regulatory requirements are set forth by only one level of government.

Conversely, compliance becomes more burdensome for them when statutory or regulatory requirements vary between levels of government. In other words, one set of rules to follow is preferable for small businesses.

To ease the compliance burden on small businesses, WIB consistently advocates for greater conformity between federal and state laws as well as the preemption of local government regulations that conflict with either federal or state statutory or regulatory requirements.

And that is why we are here before you today. Some state governments and local units of government across the country have enacted regulations which prohibit the sale of gasoline-powered vehicles and lawn-and-garden equipment. These misguided policies carry a costly compliance burden for small businesses.

SB 212 and SB 213 would proactively prevent the State of Wisconsin as well as municipalities within Wisconsin from becoming "regulatory islands" where the sales of gasoline-powered automobiles and equipment is prohibited. The sale of gasoline-powered vehicles and equipment is permissible under federal law and should also be legal at the state or local government level.

We respectfully ask for your support of SB 212 and SB 213.

Thank you in advance for your consideration.