Wisconsin State Biomass Policies and Instruments

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Wisconsin State Biomass Policies and Instruments, 2000 – 2013

Tax Policy:

Woody Biomass Harvesting and Processing Tax Credit – The department shall implement a program to certify taxpayers as eligible for the woody biomass harvesting and processing credit under ss. 71.07 (3rm), 71.28 (3rm), and 71.47 (3rm). If a taxpayer becomes certified by the Department under sub., (1), the department shall determine the amount of credits to allocate to that taxpayer. The total amount of woody biomass harvesting and processing credits allocated to taxpayers in any fiscal year may not exceed $900,000. In each fiscal year, the department shall allocate $450,000 in tax credits to businesses that, individually, have no more than $5,000,000 in gross receipts from doing business in this state for the taxable year in which the credit is claimed.

Rules and Regulations:

Renewable Portfolio Standard (1999) – in 1998 Wisconsin enacted Act 204, requiring regulated utilities in eastern Wisconsin to install to an aggregate total of 50 Megawatts (MW) of new renewable-based electric capacity by December 31, 2000. In October 1999 Wisconsin enacted Act 9, becoming the first state to enact a renewable portfolio standard (RPS) without having restructured its electric utility industry. Wisconsin's RPS originally required investor-owned utilities and electric cooperatives to obtain at least 2.2% of the electricity sold to customers from renewable-energy resources by 2012.

Biomass Market Development – partner with loggers in northwest and farmers in southwest Wisconsin to develop farm and forest crops that can serve as a substitute for coal electricity generation and oil used for transportation fuels. Additionally, the WDNR will create healthy forest guidelines for harvesting woody biomass to generate fuels of the future.

Biomass Production Plan – the goal is to growing biomass for a more sustainable future. Short and long term targets are: by 2015, produce 350,000 tons/year; by 2020: 1,000,000 tons/year and by 2025: 3,000,000 tons/year.

Market Activity:

Wisconsin Net Metering (1992) – all regulated utilities to file tariffs allowing net metering to customers that generate electricity with systems up to 20 kilowatts (kW) in capacity. The order applies to investor-owned utilities and municipal utilities, but not to electric cooperatives. All distributed-generation (DG) systems, including renewables and combined heat and power (CHP), are eligible. Customer net excess generation (NEG) is generally credited at the utility's retail rate for renewables, and at the utility's avoided-cost rate for non-renewables. NEG credit is carried over to the customer's next bill.

Wisconsin Green Power Purchasing – under terms of legislation (SB 459) enacted in March 2006, Wisconsin's Departments of Administration, Corrections, Health and Family Services, Natural Resources, Public Instruction, Veterans Affairs, the State Fair Park Board, and the Board of Regents of the University of Wisconsin System have a goal of purchasing or generating 10% of their power from renewable energy by December 31, 2007, and 20% by December 31, 2011.

Disbursements:

Focus on Energy Program (1999) – Wisconsin's public benefits fund (PBF), created by Act 9 of 1999, supports energy efficiency and renewable energy, and energy assistance for low-income residents. Beginning 7/1/07, each utility is required to spend 1.2% of its annual operating revenue on efficiency and renewable technologies.
Focus on Energy Program – Renewable Energy Cash Back Rewards – Focus on Energy, offers Cash-Back Rewards for installing or expanding renewable-energy systems on businesses and homes. Payments are based on the estimated amount of electricity or thermal energy produced annually by an eligible system. Eligible non-residential projects include wind, photovoltaics (PV), solar hot water, and biomass combustion. Wind: 20 kW maximum; PV: 0.5 kW - 20 kW; Solar hot water and biomass combustion: 5,000 therms/year maximum.

Renewable Energy Grant Programs – this is a provision within Focus on Energy Program by the State of Wisconsin. Wisconsin Focus on Energy supports statewide programs that promote energy efficiency and renewable energy*. The program was initially created by Act 9 of 1999 as a public benefit fund (PBF), which also provided energy assistance programs for low-income residents (the Home Energy Plus Program). Focus on Energy was restructured in March 2006 by S.B. 459 (2005 Act 141). This law, most of which took effect July 1, 2007, replaced existing renewable energy and energy efficiency PBF programs with programs that utilities create and fund through contracts with private program administrators, with oversight and approval by the Public Service Commission of Wisconsin (PSC).

Direct Financial Incentives for Not-for-Profit – We Energies, a Wisconsin-based investor-owned utility, offers certain customers grants ranging from $10,000 to $100,000 to support the installation of renewable energy projects. An award will cover up to 50% of a project’s total installed cost, less any federal or state government incentive or credit, and less any funding from Wisconsin Focus on Energy.

Research and Development:

K-12 Biomass Education – This project will address the need for biomass education and promotion to future consumers and support the acceptance of biomass as a renewable energy resource. The proposed activities are: 1. Biomass Curriculum Development. Employ an established Wisconsin energy curriculum model to construct hands-on, concept-based biomass activities. Offer teachers all the resources they need to provide inquiry-based lessons in science, social studies, economics, and other subject areas. 2. Middle School Biomass Bookmark Design Competition. Through the funding offered through this opportunity, this project will sponsor a bookmark design contest with the theme "Grass, Gas, and Biomass: How Does Biomass Work in Wisconsin?" 3. High School Biomass Public Service Announcement (PSA) Competition. This opportunity for high schools students will encourage student learning through the production of promotional biomass public service announcements that will air on public access television stations.

Biomass Commodity Exchange – the Wisconsin Office of Energy Independence will oversee a feasibility study for the creation of a biomass commodity exchange to help match renewable energy demands with biomass supply. It will investigate the possibility of creating a transparent market system for buying and selling biomass products and would also develop a model for oversight. The idea is to develop a more flexible biomass system to increase the efficiency of the supply chain providing biomass to the existing bio-based fuels industries and the emerging concept of the forest bio refinery.

Cost-Share and Grants:

Government Services: