



Wisconsin Economic Development Association Inc.

TO: Members, Joint Finance Committee

From: Andy Lisak, President, on behalf of
WEDA Board of Directors

Date: May 10, 2007

Re: Wisconsin Development Fund - Renewable Energy Grants and Loans
(LFB Budget Summary Document: page 89, #6; Fiscal Bureau Paper #210)

We urge you to **support the Governor's budget bill request establishing a Renewable Energy Initiative**. These programs further Wisconsin's goal to be a leader in renewable energy utilization and research and will help generate new, high-paying jobs.

The provisions would consolidate grant and loan programs for companies and researchers to develop and commercialize renewable fuel and energy technologies. This initiative dedicates over \$30 million in the biennium to assist Wisconsin in achieving energy independence.

The Governor's Renewable Energy Initiative includes \$15 million in new annual revenues for grants and loans as part of the Wisconsin Development Fund. While WEDA has reservations over using tipping fees as a funding source, we support an infusion of new revenues into the Development Fund to be used for renewable energy awards and other purposes that promote economic development. We will work with the Administration, legislators, as well as other interested groups on alternative funding sources.

We also request the Committee enhance the Governor's proposal by adopting provisions to set aside funds for an electric generation biomass initiative. Increasing the biomass usage by electric utilities will help cost-effectively achieve the 10% renewable portfolio standard adopted by the Legislature and Governor last session. Such a program would provide incremental financing for forestry professionals to cover the price difference between coal and biomass fuels such as forest wood waste, as well as help assure a reliable supply of biomass fuel and provide incentives for needed capital investment in biomass generation facilities. This new program would also promote bio-based economies of the state that could greatly benefit from the economic development opportunities.

Thank you for your consideration.