

Renewable Energy/ Energy Efficiency Update

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The following is based on a summary of legal principles. It is not to be construed as legal advice. Individuals should consult with legal counsel before taking any action based on these principles to ensure their applicability in a given situation.

Wisconsin Creates Green to Gold Loan Fund for Business for Energy Efficiency Projects

By: Jed Roher and Arthur Harrington (Team Leader of the Renewable Energy/Energy Efficient Team)

On May 13, 2010, Governor Doyle signed Senate Bill 651 which creates a \$100 million loan fund for manufacturing businesses for any energy improvements, green job creation and retooling to support clean energy production. Under this new legislation, the Department of Commerce may make a loan to a Wisconsin manufacturer to do any of the following:

- Implement energy efficiency or renewable energy measures in the manufacturer's facilities to enhance competitiveness.
- Retool existing facilities to manufacture products that support the green economy.
- Expand or establish domestic clean energy manufacturing operations.
- Create or retain jobs for workers engaged in any of these activities.

Historically, loans made under similar loan programs administered by the Department of Commerce have had terms ranging from 5 to 10 years, with interest rates as low as 2%.

Under the new legislation, the Department of Commerce must promulgate rules establishing eligibility criteria for these loans. In establishing these eligibility criteria, the Department must:

- Set clear job creation or job retention standards for loan recipients.
- Establish minimum energy savings that an eligible manufacturer must expect will result from the loan's utilization.
- Give priority to existing manufacturing businesses and idle manufacturing facilities.
- Ensure that loans will be distributed to manufacturing businesses throughout the state.
- Require all work paid for with the proceeds of a loan be performed by one of the following:
 - o Employees who are paid an hourly wage that is not less than 150% of the federal minimum wage.
 - o A contractor or subcontractor that agrees to pay all employees who perform work paid for with the proceeds of a loan under this section an hourly wage that is not less than 150% of the federal minimum wage.

The Department of Commerce is authorized to operate under emergency rules that shall be established before the date of permanent rules required under the statute.

Senate Bill 651 also adds energy efficiency and renewable energy projects undertaken by Wisconsin manufacturers to the list of projects that are eligible for funding under Wisconsin's Focus on Energy program, which is funded by Wisconsin's investor-owned utilities. The legislation mandates that these energy efficiency and renewable energy projects must be consistent with the objectives of the loan program described above.

The members of the Godfrey & Kahn Renewable Energy/Energy Efficiency Team are very knowledgeable about the implementation of this new legislation. Please feel free to direct inquiries regarding these new rules to any member of the Renewable Energy/Energy Efficiency Team for more information on this program.