

The Hon. Mandela Barnes, Lieutenant Governor
Wisconsin State Capitol
Madison, WI 53701-2043

CC: Governor's Task Force on Climate Change

Dear Lieutenant Governor Barnes,

350 Madison greatly appreciates your administration's ongoing commitment to making Wisconsin carbon-neutral by 2050. As a grassroots organization, we mobilize Wisconsin citizens to take action on climate change and demand a rapid transition to a just and sustainable world powered by clean, renewable energy. **We urge the Task Force on Climate Change to propose ambitious goals and recommendations to rapidly and equitably eliminate greenhouse gas emissions in Wisconsin.**

We are submitting detailed recommendations in three key areas:

- **Stop oil pipelines in Wisconsin.** Construction of new oil pipelines will proliferate the use of fossil fuels and the destruction of the climate. In addition they put our water resources, environment and indigenous communities at great risk. In particular, the DNR should deny the permit for the proposed Enbridge Line 5 reroute. We also recommend repealing the portion of Wisconsin's eminent domain law that allows pipeline companies to condemn private land for their private gain.
- **Divest from fossil fuels.** The University of Wisconsin and the Wisconsin State Retirement System should divest from all fossil fuel investments. Many universities, states and nations have divested successfully. We must no longer provide the financing that enables fossil fuel companies to keep destroying the climate.
- **Undertake bold and far-reaching strategies for achieving carbon neutrality.** Achieving carbon neutrality by 2050 will require Wisconsin to adopt innovative regulatory and financial strategies. There is no time to waste--per the IPCC report, there must be significant progress by 2030. We identify research-based recommendations that together would help move Wisconsin towards carbon neutrality.

As the Task force develops its recommendations, it must ensure that they promote a **just and fair transition to a culture of sustainability.** This means that the burdens of climate change should not disproportionately fall on black and indigenous communities and communities of color, as they do today. It also means that the benefits of a sustainable future should be fairly distributed, and not

disproportionately granted to communities of wealth and privilege. This includes the benefits of environmental remediation projects, improved air and water quality, new energy infrastructure, education and job opportunities, expanded green spaces, health initiatives, and green investment opportunities.

Our detailed recommendations follow at the end of this letter. Please do not hesitate to contact me if you would like to discuss these recommendations or require further information.

Sincerely,

Gail Nordheim
President, 350 Madison Board of Directors

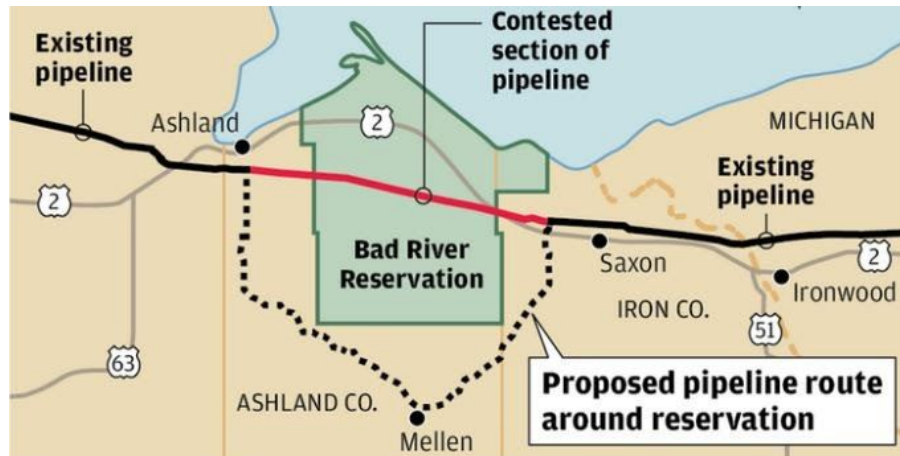
STOP OIL PIPELINES IN WISCONSIN

Recommendations:

- 1. Do not approve any permits for the Enbridge Line 5 reroute.**
- 2. Change Wisconsin Statutes to remove the authority of pipeline companies to exercise eminent domain.**
- 3. Require the PSC to consider climate change and environmental impacts in its definition of “public interest”.**

Recommendation 1: Do not approve any permits for the Enbridge Line 5 reroute.

- The Line 5 pipeline transports synthetic crude oil from Superior, Wisconsin, through Michigan and ultimately to refineries in Sarnia, Ontario. Built in 1953, this aging pipeline is owned by Enbridge Energy, a Canadian company.
- A 12-mile portion of the pipeline bisects the reservation of the Bad River Band of Lake Superior Chippewa, which borders Lake Superior. Several of the easements that allowed Enbridge to use the tribal territory expired in 2013, and the tribe demanded that the company remove the pipeline—not just from their territory, but from the entire watershed. Enbridge refused, and the Bad River Band filed a federal lawsuit.



- Understanding that it will likely lose this legal challenge, Enbridge is seeking state approval of an alternative route. But the company's proposed course just barely skirts the edge of the Bad River Reservation, such that any spill would contaminate the watershed that feeds into the area's many rivers.
- There are many important reasons for denying the Line 5 permit:
 - **Tribal sovereignty and environmental racism.** We find it appalling that Enbridge is seeking to override the treaty rights and the wishes of the Bad River Band and put its water, land, and wild rice beds at risk even as we're witnessing the largest movement for racial justice in our history.
 - **Climate change.** With the IPCC telling us we have barely a decade in which to *maybe*, just maybe, avoid the very worst impacts of climate change, it's nothing short of mad to be investing in new fossil fuel infrastructure.
 - **Eminent domain.** Enbridge is asking the Public Service Commission to grant it the authority to appropriate private land for the new segment of Line 5. Eminent domain authority should not be granted for private gain.
 - **Spills. Enbridge was responsible for more than 800 spills between 1999 and 2010**, including the largest inland oil pipeline spill in U.S. history—the **2010 Kalamazoo River disaster**. Line 5 is **estimated to have spilled** at least 1.13 million gallons of oil in 29 incidents since 1968. A rupture of the proposed new Line 5 segment at the crossing of the Bad River would shoot toxic oil down the waterfalls of Copper Falls State Park, into the Bad River Reservation and the Kakagon Sloughs, the source of wild rice for the Bad River Band. From there, it would pour into Lake Superior. Enbridge is asking us to prioritize the continuing transport of oil through our state over the protection and preservation of the largest freshwater lake on the planet.
 - **Risk to the Great Lakes.** Calls to decommission Line 5 are also coming from Michigan, where the pipeline crosses the Straits of Mackinac, creating a risk of a catastrophic spill into the Great Lakes. Environmental groups, tribes, and Michigan's governor and attorney general are locked in a protracted battle

with Enbridge, demanding that the company remove the pipeline from the Straits.

Recommendation 2: Change Wisconsin Statutes to remove the authority of pipeline companies to exercise eminent domain.

- Eminent domain is the power of government to seize private property for public use. Such a seizure of private property is typically referred to as a taking and is exercised through a procedure known as condemnation. When private property is taken for public use, just compensation must be paid to the property owner.
- In 2015, as Enbridge planned for a Line 61 twin pipeline (aka Line 66), the Legislature changed state law to make oil pipeline companies eligible to exercise eminent domain. This was done as a last-minute budget amendment with no opportunity for public input.
- As a result of the last minute budget amendment, Wisconsin law authorizes the Public Service Commission (PSC) to grant the power of eminent domain to oil pipeline companies that meet all the following requirements:
 - They are authorized to do business in the state.
 - Transmit oil in a pipeline through the state.
 - Maintain terminal or product delivery facilities in the state.
 - Engage in interstate or international commerce.
- Allowing pipeline companies to acquire land through eminent domain is a gross misuse of eminent domain power, allowing land to be taken against the landowners will for the benefit of a private corporation.
- State statutes authorizing eminent domain by pipeline companies should be repealed.

Recommendation 3: Require the PSC to consider climate change and environmental impacts in its definition of “public interest”.

- In order for a pipeline company to be granted eminent domain authority, the PSC must determine that the project is in the “public interest”.
- However, the term “public interest” is not defined in state law.
- The term “public interest” should be defined in state law to include impacts on the environment, climate change, tribal sovereignty, and cultural heritage.

DIVEST FROM FOSSIL FUELS

Recommendations:

1. **The University of Wisconsin Foundation and the Wisconsin Retirement System should divest from fossil fuel investments.**
2. **The State of Wisconsin should use its influence as a major shareholder to pressure companies to adopt climate-friendly policies and practices.**

Recommendation 1: The University of Wisconsin Foundation and the Wisconsin Retirement System should divest from fossil fuel investments. They should instead invest in the growing renewable energy sector.

- Why is divestment an important strategy for combating climate change?
 - The fossil fuel industry continues to be funded by investments from banks, state pension funds, universities, and other institutions.
 - It would be impossible for the industry to expand infrastructure and increase exploration activities without this financing.
 - With action from enough institutions, oil and gas companies will be hobbled in their ability to continue to fuel the ongoing climate crisis. Major exploration and infrastructure projects are simply too expensive for energy companies to finance on their own.
- What is the scope of the divestment movement, and which governmental units, pension funds, and universities in the United States are divesting?
 - Assets committed to fossil fuel divestment internationally have grown from \$52 billion in 2014 to more than \$11 trillion today — an increase of 22,000 percent.
 - There is ample precedent for [divestment from US pension funds and universities](#). Some 13 governments and pension funds in the United States have partially or completely divested or have taken steps toward divestment. Some 27 colleges and universities that have partially or completely divested.
 - Why is divestment in the financial interest of the State of Wisconsin?
 - The crash in oil prices due to the pandemic highlighted how volatile and risky the fossil fuel industry can be for investors.
 - As renewable energy becomes increasingly competitive, investments in new fossil fuel infrastructure or exploration, predicated on decades of operation, are unlikely to be profitable.
 - Renewable energy projects are expected to account for [96.6% of new net generation capacity additions](#) in the US in 2020.
 - It will require a massive amount of capital to fully convert energy grids to sustainable, carbon-free systems. The University of Wisconsin and the Wisconsin Retirement System have the opportunity to provide crucial support to the growing renewable energy sector.

Recommendation 2: The State of Wisconsin should use its influence as a major shareholder to pressure companies to adopt climate-friendly policies and practices.

- The Wisconsin Retirement System and the University of Wisconsin Foundation invest in companies including banks which in turn support the fossil fuel industry by providing loans or lines of credit.
- As a shareholder, the state has power to use its influence at shareholder meetings.
- Wisconsin has already successfully demonstrated its power as a shareholder.

- In May 2020, Treasurer Sarah Godlewski and other state treasurers used their influence at the J.P. Morgan Chase Annual General Meeting. Chase is the nation's largest financier of fossil fuel infrastructure, including Enbridge pipelines.
- The Treasurers' efforts resulted in demotion of a Chase director who is a leading advocate of the fossil fuel industry. Climate resolutions introduced by the Treasurers Group, including a resolution that would require Chase to comply with the Paris Climate Accords, came very close to passing.
- These significant victories increase the pressure on Chase CEO Jamie Dimon to divest his company from fossil fuels and implement climate friendly policies and practices.

Undertake bold and far-reaching strategies for achieving carbon neutrality.

Recommendations:

- 1. Strengthen state building codes and promote construction of net-zero buildings.**
- 2. Provide innovative financial options and grants to support energy innovation and development of net zero housing and infrastructure.**
- 3. Adopt a comprehensive approach for transitioning to solar energy in Wisconsin.**
- 4. Change land use and transportation policy to reduce reliance on fossil fuels.**
- 5. Make changes in utility regulation to promote transition to renewable energy and to modernize the electric grid.**

Recommendation 1: Strengthen state building codes and promote construction of net-zero buildings.

- **Commercial Building Energy Code.** Strengthen Wisconsin's Commercial Building Energy Code (SPS 363) by specifically removing provisions that water-down full adoption of the 2015 International Energy Conservation Code.
 - For example, SPS 363.0403(9) eliminates the requirement to commission HVAC systems, even though commissioning ensures the building will operate as designed.
 - Alternatively, the State should allow municipalities to adopt a stronger "stretch code" for energy. This will ensure that municipalities can require more modern infrastructure in the built environment

- **Net-Zero buildings.** Require that all commercial entities or individuals that approach Wisconsin cities for a building permit first certify that they have read a state document (written and provided online by a state-funded organization such as Focus on Energy) that provides up-to-date information about the small additional cost per square foot of net zero buildings. Moreover, require by July 1, 2021 that all proposed new buildings be net zero buildings. If a proposal does not achieve the net-zero standard, the proposer must document the reason(s) that the standard cannot be met. Non-compliant projects would be approved only if the reason for non-compliance meets criteria for exceptions approved in advance by the Plan Commission. An example of a thorough document for developers to reference is Eau Claire's [Net Zero Energy Building Guide](#).
- **Energy cost disclosure.** Require building developers and builders to include in their building permit requests and marketing materials the anticipated annual per occupant utility costs per year, per energy cost data provided by local utilities.

Recommendation 2: Provide innovative financial options and grants to support energy innovation and development of net zero housing and infrastructure.

- **Net-Zero Energy Home Financing.** Require WHEDA to develop a new Net-Zero Energy home financing program to advance net-zero energy infrastructure (including HVAC, lighting, building envelope) for new construction and gut-rehabs in low-income neighborhoods.
- **“Green Bank”** Establish a [“Green Bank,”](#) through the Board of Commissioners of Public Lands or the Wisconsin Economic Development Corporation. As described in the [Dane County Climate Action Plan](#) (Page 134), Green Banks are dedicated public or non-profit entities that invest public funds to leverage the access to cheap capital (based on low costs associated with government sale of tax exempt bonds), to stimulate the deployment of additional private capital. Green banks invest in opportunities to overcome market barriers to clean energy adoption, models that advance clean energy in underserved markets, and companies or projects that test

strategies to scale clean energy use.

- **Energy Innovation Grant Program (EIGP).** Wisconsin's Office of Energy Innovation (OEI) should release additional funding to local governments through the EIGP.

Recommendation 3: Adopt a comprehensive approach for transitioning to solar energy in Wisconsin.

- **Rooftop solar.** Clarify that solar installers that provide customer financing for rooftop solar are not “public utilities,” thus ensuring that utilities connect third-party financed systems to the grid.
- **Solar metering.** Set solar net metering rates equal to the retail rate of electricity and allow for net metering on properties up to 1 MW.
- **Community solar options.** Help utilities meet customer demand by requiring them to offer [community solar options](#).
- **Master metering in multi-family buildings.** Allow “[master-metering](#)” so that a single solar array can support multiple tenants of a multi-family building, even if the individual units separately pay their own energy bill.

Recommendation 4: Change land use and transportation policy to reduce reliance on fossil fuels.

- **Zoning changes.** Encourage local governments to rapidly shift to zoning dense mixed-use neighborhoods. Mixed-use neighborhoods would include at least 50% low- and middle-income housing, and would be designed to foster walking, biking and mass transit.
- **Electric vehicles.** Require that by 2040, all new passenger vehicles sold must be electric, and that by 2035, all light duty state fleet vehicles must be electric.
- **Mass transit.** Double mass transit use by 2030, making sure that transportation plans and funding are directed to endeavors that support and increase population density.
- **Walking and biking trips.** Reward with state financial incentives those cities and towns that succeed in doubling the number of walking and biking trips taken as of July 2030 compared to July 2021, as measured by electronic counters at diverse walking and biking intersections.

Recommendation 5: Make changes in utility regulation to promote transition to renewable energy and to modernize the electric grid.

- **Community energy reports.** Require electric and gas utilities to annually issue [community energy reports](#), like Xcel energy does.
- **Electric vehicle charging infrastructure.** Allow utilities to invest in electric vehicle charging infrastructure as part of their rate base.
- **Phase out of coal-fired power plants.** Require Wisconsin electric utilities to develop plans to phase out all coal-fired power plants by 2040.
- **On bill financing.** Require utilities to invest in energy efficiency by requiring them to offer “[on-bill financing](#).”
- **Electricity sourcing.** Establish policies, plans and measures that ensure all electricity used in Wisconsin comes from sources that reduce greenhouse gas emissions to 45% of 2010 levels by 2030 and to 0% (zero percent) of 2010 levels by 2050, (per IPCC modelling, p. 95, https://www.ipcc.ch/site/assets/uploads/sites/2/2019/02/SR15_Chapter2_Low_Res.pdf)
- **Electrical grid modernization.** Establish policy to [modernize Wisconsin’s electrical grid](#) in favor of decentralized networks with multidirectional energy and data flows. Wisconsin’s current bulk power systems create energy losses of up to 60% and threaten the health of the public.