



State of Wisconsin
2021 - 2022 LEGISLATURE

LRB-6189/1
KP:emw

2021 SENATE BILL 1054

March 9, 2022 - Introduced by Senator COWLES, cosponsored by Representatives TAUCHEN, KITCHENS and MURSAU. Referred to Committee on Natural Resources and Energy.

AUTHORS SUBJECT TO CHANGE

1 **AN ACT** *to create* 93.95, 93.96, 196.025 (8) and 196.025 (9) of the statutes;
2 **relating to:** the measurement of carbon emissions and carbon emission offset
3 transactions related to animal agriculture operators, renewable natural gas
4 and energy produced at animal agriculture facilities, and granting
5 rule-making authority.

Analysis by the Legislative Reference Bureau

This bill does the following related to the measurement of carbon emissions and carbon emission offset transactions associated with animal agriculture operators and renewable natural gas and energy produced at animal agriculture facilities:

1. The bill requires the Department of Agriculture, Trade and Consumer Protection to promulgate rules that establish voluntary and market-driven standards for quantifying the carbon emissions produced directly and indirectly from an animal agriculture operator's activities. DATCP must also create a form that an animal agriculture operator can use to submit information related to the operator's activities for calculating the carbon emissions produced directly and indirectly from the operator's activities. If an animal agriculture operator submits a completed form to DATCP, DATCP must calculate the carbon emissions produced by using the standards DATCP must establish under the bill and notify the operator of that amount.

2. Also, under the bill, DATCP must facilitate trade in products and services related to transactions between animal agriculture operators and other parties for

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carbon emission offsets and may operate an electronic marketplace for selling and purchasing carbon emission offsets. DATCP must also do both of the following: a) conduct research on and provide grants for conducting research on carbon sequestration practices and carbon offset practices and b) monitor transactions involving carbon emission offsets between animal agriculture operators and persons that market carbon emission offsets. Under the bill, the seller and purchaser of a carbon emission offset must each pay an assessment equaling 0.5 percent of the sales price of the offset.

3. The bill also requires the Public Service Commission to develop a statewide master plan for the collection, transportation, and commercialization of renewable natural gas produced from animal wastes, biomass, and other organic sources. PSC must develop standardized pipeline interconnection agreements for renewable natural gas for both intrastate and interstate gas pipelines, and the agreements must include provisions establishing specifications for renewable natural gas injected into natural gas pipelines. Also, under the bill, PSC must require all pipeline operators to accept renewable natural gas that satisfies the specifications established in the standardized agreements developed by PSC. PSC must also conduct a study of methods for the state to provide financing support for designing, developing, and operating infrastructure for collecting and transporting renewable natural gas produced from animal wastes, biomass, and other organic sources. PSC must prepare a report detailing the results of the study and making recommendations and submit the report to the appropriate standing committees of the legislature.

4. The bill requires PSC to establish standardized power purchase agreements and standardized agreements for the provision of energy as a service between animal agriculture operators and electric utilities that involve distributed energy generation systems with a capacity of less than 1.5 megawatts. The standardized agreements must address a) net energy metering; b) rates at which electric utilities must purchase electricity from an animal agriculture operator's distributed energy generation system; c) power dispatch curtailment of an animal agriculture operator's distributed energy generation system and compensation for excess generation and parallel generation from such systems; d) conditions related to participation of an animal agriculture operator's distributed energy system in the wholesale electricity market; e) technical and operational specifications of an animal agriculture operator's distributed energy generation system; and f) monthly utility billing practices that clearly describe the buying, selling, and revenue sharing between an electric utility and the host of a distributed energy generation system.

For further information see the state and local fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

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1 **93.95 Measurement of carbon emissions produced by animal**
2 **agriculture operators. (1)** The department shall promulgate rules that establish
3 voluntary and market-driven standards for quantifying the carbon emissions
4 produced directly and indirectly from an animal agriculture operator's activities.

5 **(2)** (a) The department shall create and make available a form that an animal
6 agriculture operator can use to submit information related to the operator's activities
7 to the department for calculating the carbon emissions produced directly and
8 indirectly from the operator's activities.

9 (b) If an animal agriculture operator completes a form described in par. (a) and
10 submits the form to the department, the department shall calculate the carbon
11 emissions produced directly and indirectly from the animal agriculture operator's
12 activities by using the standards established under sub. (1) and shall notify the
13 animal agriculture operator of that amount.

14 **(3)** The department may contract with a private vendor to implement this
15 section.

16 **(4)** The department and any private vendor shall keep confidential all
17 information disclosed by an animal agriculture operator under sub. (2) (b) and the
18 amount calculated under sub. (2) (b), and all such information is not subject to the
19 right of public inspection and copying under s. 19.35 (1).

20 **SECTION 2.** 93.96 of the statutes is created to read:

21 **93.96 Carbon emission offset transactions involving animal**
22 **agriculture operators. (1)** The department shall facilitate trade in products and
23 services related to transactions between animal agriculture operators and other
24 parties for carbon emission offsets and may operate an electronic marketplace for the
25 sale and purchase of carbon emission offsets.

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1 (2) The department shall conduct research on and provide grants for
2 conducting research on carbon sequestration practices and carbon offset practices.

3 (3) The department shall monitor transactions between animal agriculture
4 operators and persons that market carbon emission offsets.

5 (4) The seller and purchaser of a carbon emission offset shall each pay the
6 department an assessment equalling 0.5 percent of the sales price of the carbon
7 emission offset. The department shall promulgate rules establishing due dates for
8 the payment of assessments under this subsection.

9 **SECTION 3.** 196.025 (8) of the statutes is created to read:

10 196.025 (8) RENEWABLE NATURAL GAS; MASTER PLAN. (a) The commission shall
11 develop a statewide master plan for the collection, transportation, and
12 commercialization of renewable natural gas produced from animal wastes, biomass,
13 and other organic sources. The master plan shall include required gas
14 characteristics and specifications for renewable natural gas injected into natural gas
15 pipelines.

16 (b) The commission shall develop standardized pipeline interconnection
17 agreements for renewable natural gas for both intrastate and interstate gas
18 pipelines. The agreements developed under this paragraph shall include provisions
19 establishing specifications for renewable natural gas injected into natural gas
20 pipelines.

21 (c) The commission shall require all pipeline operators to accept renewable
22 natural gas that satisfies the specifications established in the standardized pipeline
23 interconnection agreements developed by the commission under par. (b).

24 **SECTION 4.** 196.025 (9) of the statutes is created to read:

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1 196.025 (9) DISTRIBUTED ENERGY RESOURCES AT ANIMAL AGRICULTURE FACILITIES.

2 The commission shall establish standardized power purchase agreements and
3 standardized agreements for the provision of energy as a service between animal
4 agriculture operators and electric utilities, as defined in s. 16.957 (1) (g), that involve
5 distributed energy generation systems with a capacity of less than 1.5 megawatts
6 that are located on the premises of animal agriculture operators. The standardized
7 agreements established under this subsection shall address all of the following:

8 (a) Net metering of energy supplied to an animal agriculture operator by an
9 electric utility and energy produced by the operator.

10 (b) Rates at which electric utilities are required to purchase electricity from an
11 animal agriculture operator's distributed energy generation system.

12 (c) Power dispatch curtailment of an animal agriculture operator's distributed
13 energy generation system and compensation for excess generation and parallel
14 generation from an animal agriculture operator's distributed energy generation
15 system.

16 (d) Conditions and terms related to the participation of an animal agriculture
17 operator's distributed energy generation system in the wholesale electricity market.

18 (e) Technical and operational specifications of an animal agriculture operator's
19 distributed energy generation system.

20 (f) Monthly utility billing practices that clearly describe the buying, selling,
21 and revenue sharing between an electric utility, as defined in s. 16.957 (1) (g), and
22 the host of a distributed energy generation system.

23 **SECTION 5. Nonstatutory provisions.**

24 (1) The public service commission shall conduct a study of methods for this
25 state to provide financing support for the design, development, and operation of

SENATE BILL 1054**SECTION 5**

1 collection and transportation infrastructure for renewable natural gas produced
2 from animal wastes, biomass, and other organic sources. The public service
3 commission shall prepare a report detailing the results of the study and making
4 recommendations and shall submit the report to the appropriate standing
5 committees of the legislature in the manner provided under s. 13.172 (3) no later
6 than the first day of the 13th month beginning after the effective date of this
7 subsection.

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(END)