



**SCOTT WALKER**  
**OFFICE OF THE GOVERNOR**  
**STATE OF WISCONSIN**

P.O. Box 7863  
MADISON, WI 53707

August 6, 2014

Ms. Gina McCarthy, Administrator  
US Environmental Protection Agency  
1200 Pennsylvania Avenue, NW  
Washington, DC 20460

Dear Administrator McCarthy:

The proposed rule released on June 2, 2014 by the Environmental Protection Administration (EPA) regulating carbon dioxide (CO<sub>2</sub>) from fossil fuel-fired utilities under section 111(d) of the Clean Air Act would be costly and burdensome to consumers and harm the Wisconsin and US economy. The stringency of the state-specific emissions rates will have serious, negative economic impacts on the manufacturing sector, the backbone of Wisconsin's economy.

Affordable and reliable energy is essential, especially during times of economic uncertainty, and particularly for small businesses and low-income families. In addition, our manufacturers need price stability to plan, hire and invest accordingly. The proposed regulatory approach risks continued access to our most reliable and economical energy source and jeopardizes numerous well-paying manufacturing jobs by unnecessarily increasing electricity costs.

As noted in my November 4, 2013 letter to you, Wisconsin derives more than half of its electricity from coal-fired generation, and a number of coal units have already shut down or are in the process of closing. The current 111(d) proposed rule ignores investments made in the existing electric fleet, as well as the effects on system reliability. Wisconsin ratepayers have invested more than \$2.3 billion since 2000 in environmental upgrades. It is essential that these upgrades be factored in by the EPA when setting a carbon reduction target.

Wisconsin has had a state Renewable Portfolio Standard (RPS) since 1999 and a utility-funded energy efficiency and small renewable program called Focus on Energy (Focus) since 2002. We estimate that the RPS and Focus programs have resulted in avoided CO<sub>2</sub> emissions equivalent to roughly ten percent and seven percent of total 2005 emissions, respectively. In fact, Wisconsin's RPS program has already achieved its goal of ten percent renewable generation, almost two years ahead of schedule. This, together with our significant investment in environmental upgrades, confirms that Wisconsin has already taken considerable measures to reduce emissions. I am very concerned that the additional level of emission reductions proposed for Wisconsin by the EPA would harm the state's manufacturing-based economy.

*WISCONSIN IS OPEN FOR BUSINESS*

WWW.WISGOV.STATE.WI.US • (608) 266-1212 • FAX: (608) 267-8983

Each individual state has an established energy policy that provides their citizens with reliable and affordable energy based on their own unique mix of resources. EPA has inserted themselves into that process by setting policies time after time that are slowly eliminating diversity and affordability in our electricity supply – and offering states anything but flexibility. The current proposed rules are no different and will result in a less diverse, less reliable and more expensive system by favoring certain energy sources over others.

In Wisconsin, we have serious concerns with cost, reliability and timing - as well as other technical matters. Since so many states are taking innovative steps on their own, I strongly urge you to reconsider and reevaluate the approach the EPA is taking to better address the adverse economic impacts this rule would have on individuals and employers in states like mine all across the country. Thank you.

Sincerely



Scott Walker  
Governor

---

*WISCONSIN IS OPEN FOR BUSINESS*

WWW.WISGOV.STATE.WI.US • (608) 266-1212 • FAX: (608) 267-8983