

Wisconsin's Dependence on Imported Coal



The cost of importing coal is a major drain on the economies of many states that rely heavily on coal-fired power. Thirty-eight states were net importers of coal in 2008, from other states and, increasingly, other nations. *Burning Coal, Burning Cash* ranks the states that are the most dependent on imported coal. This fact sheet shows the scale of this annual drain on Wisconsin ratepayers, and discusses ways to keep more of that money in-state through investments in energy efficiency and homegrown renewable energy.

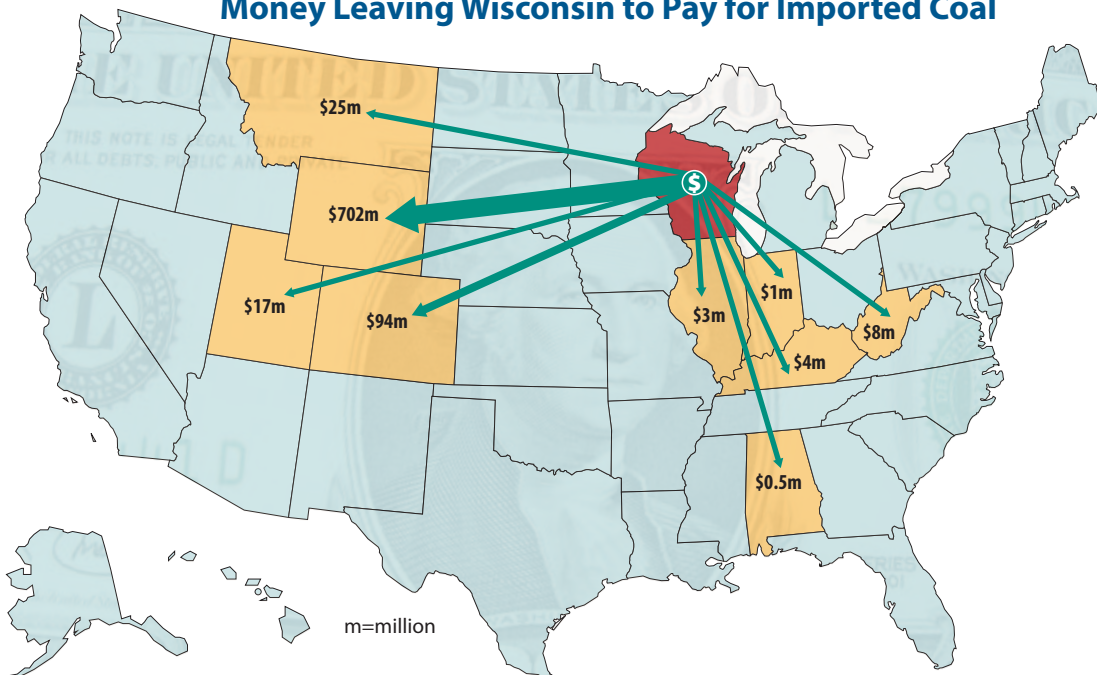
Wisconsin imported all the coal its power plants burned in 2008 from nine different states, largely in the West. To pay for those imports, Wisconsin sent **\$853 million** out of state. These coal import costs are expected to increase after 2008, once several new coal-fired generating units in the state become fully operational.

We Energies, the state's largest provider of electricity services, purchased \$313 million in coal imports—about 30 percent of the state's total, and more than any other Wisconsin power producer. The utility's Pleasant Prairie facility, in Kenosha County, is also the most import-dependent power facility in Wisconsin, having spent \$127 million in 2008.



Milwaukee, Wisconsin. The cost of importing coal is a drain on Wisconsin's economy, which relies heavily on coal-fired power. Investments in energy efficiency and homegrown renewable energy can help stimulate the economy by redirecting funds into local economic development—funds that would otherwise leave the state.

Money Leaving Wisconsin to Pay for Imported Coal

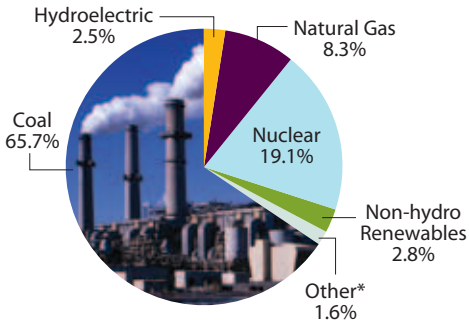


Compared with other states, Wisconsin:

- Is the 5th most dependent on net imports as a share of total power use: 68 percent
- Spent the 12th most on total net imports: \$853 million
- Spent the 12th most on net imports relative to gross state product: 0.35 percent
- Imported the 12th most in net weight: 25 million tons
- Spent the 13th most on net imports per person: \$152

Note: Not all these funds will necessarily land in the state or nation where the mining occurs. Mine owners may divert the profits to parent companies in other locations, for example. Amounts also include the cost of transportation.

Wisconsin's Mix of Electricity Sources (2008)



Despite having no in-state coal supplies, Wisconsin relies on coal for nearly two-thirds of the electricity it produces.

* "Other" includes oil, municipal solid waste, tires, propane, or other manufactured and waste gases from fossil fuel.

Wisconsin has excellent potential for developing in-state renewable energy resources, which can help reduce the state's dependence on imported coal while creating jobs and other economic benefits. Since 2008, Wisconsin has installed nearly 400 megawatts of wind energy capacity (like the project pictured here, near Montfort)—enough to meet the power needs of about 150,000 typical homes.

Photos (top to bottom): Photodisc; NREL

Clean Energy Solutions Can Boost Wisconsin's Energy Independence

Investing in energy efficiency is one of the quickest and most affordable ways to replace coal-fired power while boosting the local economy. Wisconsin spent more than \$14 per person on ratepayer-funded energy efficiency programs in 2007, cutting power demand by 0.66 percent that year. That is well above the efficiency spending of most states, but still 10 times less than the state spends to import coal. Wisconsin could expand its efforts by joining the 23 states that have adopted energy efficiency resource standards, most of which require utilities to achieve annual electricity savings of at least 1 percent (a target some states are already achieving). Leading states require annual cuts of 2 percent or more.

Wisconsin is working to reduce its dependence on imported coal by tapping its wealth of renewable energy resources. For example, the state recently approved Wisconsin Electric Power Company's construction of the Glacier Hills wind facility, which will supply the state with up to 207 megawatts



(MW) of clean power and provide nearly \$650,000 annually in payments to Columbia County and surrounding townships. Also, We Energies recently announced plans to build a 50-MW biomass plant at a Domtar paper mill in Rothschild. When complete, the \$250 million project is expected to create 150 permanent jobs.

The state has the technical potential to generate 4.2 times its 2008 electricity needs from renewable energy, led primarily by wind and bioenergy (though economic and physical barriers will curb some of that potential). Under current law, utilities must rely on renewable resources to supply 10 percent of the state's power by 2015, though this standard could be considerably strengthened. Twenty-eight other states and the District of Columbia have adopted such renewable electricity standards, with 17 states setting targets of 20 percent or more.



Citizens and Scientists for Environmental Solutions

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This fact sheet is based on the findings of *Burning Coal, Burning Cash: Ranking the States That Import the Most Coal*, a report by the Union of Concerned Scientists. The fully referenced report, along with other state profiles, is available on the UCS website at www.ucsusa.org/burningcoalburningcash.

The Union of Concerned Scientists is the leading science-based nonprofit working for a healthy environment and safer world.

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