

## WISCONSIN'S GREEN to GOLD FUND

### Summary

Governor Doyle is proposing a new \$100 million Green to Gold fund—an ironclad commitment to Wisconsin's manufacturers that the state is focused on creating and retaining jobs and increasing manufacturers' competitiveness in the new economy. The Green to Gold fund will create a one-stop shop—a single point of entry for manufacturers that aligns federal dollars, existing and future state resources to ensure that industrial manufacturers create or retain jobs as they achieve energy efficiency, use renewable energy, and make products that support a green economy.

### Context

Wisconsin leads the nation in the percentage of the population employed in the manufacturing sector and also leads the nation in green job creation potential as a percentage of total population.<sup>1</sup>

The production requirements for renewable energy component manufacturing draw heavily on the skills represented in Wisconsin's traditional manufacturing base.<sup>2</sup> The demand for U.S.-based renewable energy component manufacturing will continue to grow for the foreseeable future, and Wisconsin businesses are positioned to supply this demand.

Every dollar saved by reducing energy costs through energy efficiency makes Wisconsin's manufacturers more competitive and profitable<sup>3</sup> by lowering production costs.

### Description of the Initiative

Many of Wisconsin's industrial manufacturers value sustainability, but lack the resources to jump start their efforts. The Green to Gold fund addresses this lack of capital for energy efficiency, renewable energy, and green retooling initiatives.

The Green to Gold fund will assist companies as they implement energy efficiency or renewable energy measures in their facilities to enhance their competitiveness and create or retain jobs, retool their existing facilities to manufacture products that support the green economy, and expand or establish domestic clean energy manufacturing operations. It will include a \$1.75 million 12-month pilot program that will work with the Wisconsin Manufacturing Extension Partnership to assist small- and mid-sized manufacturers in achieving profitable sustainability. The pilot will be funded from existing resources at the Department of Commerce.

The fund will operate primarily as a revolving loan fund, ensuring that Wisconsin's commitment to industry is long-term and sustainable. The fund commits to using the state's existing and future State Energy Program funding, future funding for the Wisconsin Energy Independence Fund (WEIF), and calls for statutory alignments so that utility-funded programs can more strongly support Wisconsin's industrial manufacturers. The fund also positions Wisconsin as an early adopter of the proposed federal IMPACT program, increasing our state's chances of securing new federal dollars that can further support the Green to Gold fund's efforts.

By using a revolving loan fund as its primary mechanism, the Green to Gold fund creates a legacy program for Wisconsin's industrial manufacturers, using a self-replenishing pool of money that utilizes interest and principal payments on old loans to issue new ones. These low- or no-interest loans will improve the competitive position of Wisconsin manufacturers, allowing them to grow, hire new workers, and see energy cost savings.

Although the Green to Gold fund is a stand-alone initiative, it can complement ongoing legislative efforts to support job growth, such as the legislative jobs package and the Governor's Clean Energy Jobs Act.

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<sup>1</sup> Renewable Energy Policy Project report.

<sup>2</sup> 66 Wisconsin counties have at least one firm currently producing a product in the relevant NAICS codes. The Milwaukee region has 578 such companies and the New North region has 262 such companies.

<sup>3</sup> The existing state energy efficiency programs save \$2.30 for every \$1.00 invested.

