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A look back in time
Wind energy is fast becoming a renewable energy of choice across much of the American heartland. States meet a percentage of their clean energy resource standards, but they get many more benefits, especially in the form of economic development. Check out the article on page 18, then visit Capitol Comments to learn how communities in Texas and North Dakota are taking advantage of the power of the wind movement.

In a diverse energy portfolio, experts are saying nuclear energy has to be part of the equation. Read about nuclear energy on page 30, and visit the CSG Web site to read a full Trends in America brief about what states are doing about nuclear energy. Read about GPS for high-risk domestic violence offenders on page 13.

Check out a special Web extra on how some states are using GPS devices for their most dangerous abusers and stalkers. Hear a special audio clip with Harvard Law School Professor Diane Rosenfeld who is involved with a Massachusetts program that uses GPS for high-risk domestic violence offenders.

Look for the Capitol Comments indicator throughout the magazine to find Web extras on the CSG blog.
New Report Sheds Light on the Green Economy

The newest report on green business released by Greener World Media offers a mix of encouraging and discouraging news, according to Joel Makower, executive editor to Greener World Media Inc. and author of the report.

“State of Green Business 2009,” released in early February, says mainstream companies continued in 2008 to get greener, making strides in more environmentally-friendly business practices. But the weakening economy rocked corporate environmental strategies and affected how much companies would be able to invest in new technologies and initiatives supporting green innovations or reducing a company’s environmental impact, according to the report.

“The coming year will be a critical one for the future of green business and, by extension the future of the planet,” Makower said.

The report brought out 10 major themes, gleaned from nearly 1,500 news articles, feature articles, podcasts and blog posts from 2008 from GreenBiz.com, ClimateBiz.com, GreenerBuildings.com, GreenerComputing.com and GreenerDesign.com.

According to the report, those themes are:

- The green economy gains currency as economic activity by companies and customers in the form of products, services and business models that promote economic growth, reduced environmental impacts and improved social well-being gathered steam last year.
- Water becomes the new carbon as the limited resource is unevenly distributed around the world where shortages will lead to economic power for water-rich nations and poverty for the rest.
- Building efficiency rises again as the combination of rising energy prices, improved technologies and investments in more efficient real estate make more energy-efficient buildings.
- Universities make classes greener and are reducing their environmental footprints by using the same types of green business practices as the corporate world.
- Green moves up, and down, the chain of command as interested CEOs seek new ways to make green thinking important to employees both at work and in their personal lives.
- Product stewardship creates a material change and good product stewardship requires that companies retain responsibility for goods long after they are sold—bringing in concerns about hazardous and nondegradable waste.
- Green marketing suffers a failure to communicate as new layers and new products in the green market create a new public concern that companies aren’t doing enough or aren’t telling their stories well, or both.
- Carbon becomes a business imperative as carbon emissions became the center of attention.
- Information technology plugs into green as energy use is both an economic and environmental liability (possibly stressing electricity grids) for the IT industry.
- Greener design comes out of the lab as concerns over toxic everyday consumer products threatened companies.

To download the full report, go to http://www.stateofgreenbusiness.com.

States Cut Back on Solar Incentives

Just as federal subsidies are now available for consumers to install rooftop solar panels—states hit hard by the weakening national economy are cutting back on state-supported solar incentives, according to the Associated Press.

Massachusetts’ Commonwealth Solar program cut its rebate for solar by $1 per watt, effective Jan. 1, the AP reports. That reduces the overall discount for a 3-kilowatt solar panel system by $3,000, according to the AP.

Connecticut cut its residential rebate program for solar last October, just before it ran out of money, the AP reports. That program is still out of money, according to the AP.

Some experts say the newly expanded federal rebate for solar is an opportunity for the federal government to pick up the tab.

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Some experts say the newly expanded federal rebate for solar is an opportunity for the federal government to pick up the tab.

States have spent millions for years to lead the effort to boost demand for rooftop solar and other alternative energy projects, but now those same incentive programs may be running out of money, Rusty Hanes told the AP. Hanes supervises the Database of State Incentives for Renewables and Efficiency at North Carolina State University.

The database is located at http://www.dsireusa.org and is a comprehensive source of information on state, local, utility and federal incentives promoting renewable energy and efficiency including solar incentives.
Several California utilities are considering buying geothermal power from Mexico, according to the Reuters news agency. The city of Los Angeles, which has set a goal of getting 20 percent of its power from renewable energy sources, agreed at least in principle in early February to purchase Mexican geothermal power. Mexico’s state-owned power monopoly told Reuters.

Mexico’s Federal Electricity Commission would sell the city-owned Los Angeles Department of Water and Power a certain amount of power from one of its geothermal generating stations, according to the proposed agreement reported by Reuters. Final terms of the agreement are still being worked out, Reuters reports.

Other California utilities are also exploring getting a portion of their renewable power from Mexico as they strive to meet the state’s 20 percent renewable power standard which goes into effect in 2010.

Many experts have said transportation projects are woefully underfunded and something needs to be done to repair America’s aging infrastructure. Only problem is, one of the possible solutions—raising a state’s gas tax—is considered by many experts as politically radioactive.

But Illinois is putting that back on the table. According to the Chicago Tribune, two top leaders in the Illinois legislature are paving the way to a higher gas tax they say will fund much-needed highway and mass-transit projects.

House Speaker Michael Madigan and Senate President John Cullerton told the Chicago Tribune they are supporting the idea of raising the Illinois gas tax. Madigan will support a proposal to raise the current 19-cent per-gallon gas excise tax to 27 cents, according to the newspaper.

The gas tax hike could raise as much as $500 million a year to fund bond payments on a $5.9 billion transportation repair plan, Madigan’s office told the newspaper.

Madigan is backing a proposal for the gas tax hike sponsored by Rep. John Bradley, according to the Chicago Tribune.

“A number of states have proposed this measure to raise additional revenue for their transportation sectors,” said Sujit CanagaRetna, senior fiscal analyst for The Council of State Governments Southern office, the Southern Legislative Conference.

With the federal Highway Trust Fund going broke and underfunded state transportation projects, there is an urgent need to raise additional revenue, CanagaRetna said.

“It is thus urgent that states be given more certainty and an opportunity to fund their transportation projects at a competitive rate,” he said.

The highest state excise tax on gas is in Washington at 37.5 cents and the lowest is in Alaska where the state motor fuel excise tax of 8 cents per gallon was suspended until August 2009 during a special session, according to the latest data from Energy API, the trade association representing all of America’s oil and natural gas industry. The average state excise tax on gas is 18.4 cents, according to Energy API.

# State Budget Gaps

<table>
<thead>
<tr>
<th>States with Mid-Year 2009 Budget Gaps</th>
<th>States with Projected FY 2010 Budget Gaps</th>
</tr>
</thead>
<tbody>
<tr>
<td>States</td>
<td>Size of Gap</td>
</tr>
<tr>
<td>Alabama</td>
<td>$1.1 billion</td>
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<tr>
<td>Alaska</td>
<td>$360 million</td>
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<tr>
<td>Arizona</td>
<td>$1.6 billion</td>
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<td>Arkansas</td>
<td>$1.6 billion</td>
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<td>California</td>
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<tr>
<td>Colorado</td>
<td>$604 million</td>
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<td>Connecticut</td>
<td>$1.7 billion</td>
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<tr>
<td>District of Columbia</td>
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<tr>
<td>Delaware</td>
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<td>Florida</td>
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<tr>
<td>Georgia</td>
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<tr>
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<td>Idaho</td>
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<td>Illinois</td>
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<td>Massachusetts</td>
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<td>North Dakota</td>
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<td>Washington</td>
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<td>West Virginia</td>
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<td>Wisconsin</td>
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<tr>
<td>Wyoming</td>
<td>NA</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>$51.1 billion</strong></td>
</tr>
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</table>

Source: The Center on Budget and Policy Priorities Note: An entry of "NA" in Size of Gap means an estimate of the size of the projected gap in that state was not available as of Feb. 12, 2009. Some states have not released information for either year and their status is left blank.
Governors Face Many Challenges with Faltering National Economy

As states grapple with the faltering national economy, many are coming up short on their budgets, forcing cuts to essential programs and the looming prospect of employee layoffs or wage freezes. Forty governors gave their State of the State addresses before Feb. 4, and offered their perspective on the dire situation.

By Mary Branham Dusenberry
Connecticut Gov. M. Jodi Rell cut straight to the point as she stood before lawmakers to give her State of the State address Jan. 7.

“These are the worst financial times any of us can remember,” she said. “Let’s face it, it’s scary.”

Perilous, challenging, painful—the words used by governors echoed Rell’s sentiment about the state of the economy across the country.

In fact, budget gaps ranging from $150 million in Vermont to $42 billion in California have left governors with little room to propose or grow programs.

California Gov. Arnold Schwarzenegger focused the entirety of his brief address Jan. 7. on California’s budget shortfall and souring economy. “The $42 billion deficit is a rock upon our chest and we cannot breathe until we get it off,” he said. “It doesn’t make any sense to talk about education, infrastructure, water, health care reform and all these things when we have this huge budget deficit.”

As he worked with legislators for a plan to fill the hole, Schwarzenegger warned in early February of pending layoff notices for more than 20,000 state workers unless a deal was reached, according to the San Francisco Chronicle.

Schwarzenegger wasn’t alone in having to deal with cuts and layoffs. Governors in several states—including Alabama, Alaska, Colorado, Hawaii, Kansas, Kentucky, Minnesota, Montana, Nevada, Pennsylvania and Virginia—proposed hiring freezes, wage freezes and/or pay cuts for state employees in their State of the State addresses.

Michigan Gov. Jennifer Granholm took the wage cuts a step further: She directed the State Officers Compensation Commission to reduce the salaries of all state elected officials in Michigan by 10 percent. And Minnesota Gov. Tim Pawlenty imposed a wage freeze on state employees for two years, and proposed legislation requiring a wage freeze for any Minnesota government entity that accepts state money.

Nebraska Gov. Jim Gibbons stressed a 6 percent pay reduction for state employees would be better in the long run than wide-scale layoffs. “We cannot give raises with money we do not have,” he said.

Filling the Budget Gap

Several states had been facing budget shortfalls even before the economy tanked in September. At least 46 states face a combined budget gap of at least $350 billion through this and two subsequent fiscal years, according to the Center on Budget and Policy Priorities. Only Montana, North Dakota, Wyoming and West Virginia do not have a shortfall in this fiscal year or are projecting one for next year, according to the center.

That means many states are putting projects on hold and cutting programs. And several states are pulling money from their rainy day funds to cover needed programs.

“We cannot commit to expensive new programs or huge increases in existing programs, because we don’t have the money to do so,” said South Dakota Gov. Mike Rounds. The state pulled $28.2 million out of reserves to balance this year’s budget, but Rounds requested only $4.6 million for next year’s budget. If approved, that action would drop the state’s budget reserves to $99 million, he said.

New York Gov. David Paterson said his state, hit hard by the national recession, is facing “savage fiscal choices” and the largest budget deficit in its history.

“Our government must now do what New York families have been doing for years—make painful choices about what we can and cannot afford … We must sacrifice what we want today so that we can pay for what we need tomorrow.”

Separating “wants” from “needs” wouldn’t go far enough in some states. While some governors proposed across the board cuts, others proposed more targeted cuts. But even sacred programs like education take a hit in some states.

“Political mantras aside, cutting more than 10 percent from a budget cannot be achieved by simply cutting waste,” said Georgia Gov. Sonny Perdue. “While we have worked for six years to do more with less, at some point, in business or government, it becomes less with less.”

He recommended pulling the maximum amount for appropriations from reserves—$50 million for this year, $408 million for next year and $187 million for a midyear education adjustment.

And New Mexico Gov. Bill Richardson proposed drawing down the reserves from 10 percent to 8 percent to balance the budget and maintain the state’s high bond rating. “For the last six years, I’ve staunchly defended a 10 percent reserve—or rainy day fund,” he said. “But, if our national economy is the weather, then it’s raining—hard.”

But even as most states are dealing with cuts and raiding the reserves, North Dakota is building its rainy day fund. Gov. John Hoeven plans to grow the budget stabilization fund from $600 million to between $800 million and $1.2 billion.

“Our economic growth and diversification, along with good financial stewardship, has enabled us to build a surplus and a solid financial reserve for the future,” he said.

Even though Wyoming is not listed on the Center on Budget and Policy Priorities list of states projecting a shortfall, Gov. Dave Freudenthal is making pre-emptive cuts to avoid bigger problems down the road.

“We have a false sense of immunity in Wyoming,” he said. “Wyoming has historically been a state that enters a recession late and exits a recession late. And that pattern is being repeated in Wyoming today.”
The dramatic rise and fall of the price of oil led to that false sense of immunity, Freudenthal said. People were talking about a huge budget surplus in the summer and interim committees were putting together proposals that included those revenue forecasts, he said. His budget proposal cut funding for such programs as the Wildlife Trust Fund, the Library Trust and the Cultural Trust Fund, as well as individual projects like a proposed Big Horn Basin Discovery Center.

Wyoming and other states, though, face far greater cuts in core programs as the recession deepens. Some governors, though, tried to exempt programs such as education, health care and corrections from cuts, and even offered increases in funding in some areas. And the prospect of a federal stimulus bill looming, many governors stressed the importance of work on state infrastructure.

Education

Even as budgets in many agencies are being cut, some governors exempted education funding from such cuts, recognizing the importance of good schools in addressing the national economic situation.

“Education is the great equalizer,” Nebraska Gov. Dave Heineman said, “and a quality education is essential for our children’s ability to compete in a knowledge-based, free-market economy.” His budget included an additional $100 million in state aid to education as well as increased funding for special education. It also provides more money for the University of Nebraska and for state and community colleges.

In other states, education funding was a mixed bag. Some included the same or increased K-12 funding, but cut higher education. Others increased funding for both areas, while some states cut funding in both areas.

Governors in Alabama, Alaska, Arizona, Arkansas, Indiana, Kansas, Maryland, Minnesota, Missouri, Nebraska, Nevada, New Jersey, New York, North Dakota, Pennsylvania, South Dakota and Wyoming proposed either the same level or funding or increased funding in at least one area of K-12 education.

“In an economic downturn, decisions can have dire consequences and a lifetime impact on future generations,” said Kansas Gov. Kathleen Sebelius. “No student can afford to miss a few years of quality education.”

Even so, several governors proposed looking at some level of reform for funding or operations. One of those states is Minnesota, where Pawlenty suggested changes including minimum standards for teachers and incentives of up to 2 percent additional funding per student for school districts that meet minimum standards or at least show reasonable growth.

But some states—Idaho, Mississippi, Vermont, Virginia and Wisconsin among them—proposed cuts to K-12 funding. Mississippi Gov. Haley Barbour said his hands were tied when it came to such cuts.
“We must reject the use of gimmickry. Delaying payments to schools, siphoning dollars from pension funds and other such practices must be left in the museum of bad government where we sent them four years ago.”

—Indiana Gov. Mitch Daniels

“For the last six years, I’ve staunchly defended a 10 percent reserve—or rainy day fund. But, if our national economy is the weather, then it’s raining— hard.”

—New Mexico Gov. Bill Richardson

“Almost all (states) are facing severe budget gaps. The explanation is pretty simple: Almost all states have to pass balanced budgets. So when people lose their jobs and stop buying things, and the demand for state services goes up, states have deficits.”

—Wisconsin Gov. Jim Doyle

“The state of our state is perilous. New York faces an historic economic challenge, the gravest in a century.”

—New York Gov. David Paterson

“These are the worst financial times any of us can remember. Let’s face it, it’s scary.”

—Delaware Gov. Jodi Rell

“The steps we take now will help us survive this economic crisis and create the foundation to move us ahead.”

—Kansas Gov. Kathleen Sebelius

“We gather tonight under an economic cloud darker than anything this nation has faced in three generations.”

—Massachusetts Gov. Deval Patrick

“The $42 billion deficit is a rock upon our chest and we cannot breathe until we get it off. It doesn’t make any sense to talk about education, infrastructure, water, health care reform and all these things when we have this huge budget deficit.”

—California Gov. Arnold Schwarzenegger

“Our challenge this year is not just to close this huge deficit. We also have to strategically position Minnesota to thrive in a very different world.”

—Minnesota Gov. Tim Pawlenty

“As we gather this evening to take stock of our state, I will not sugarcoat the severity of the crisis we face. This year has been brutal. Like few others in our history.”

—Michigan Gov. Jennifer Granholm

“To those who believe that these (federal stimulus) funds somehow resolve the crisis we face, I urge you to think again.”

—Pennsylvania Gov. Ed Rendell

“I have established an Economic Stimulus Coordination Council to ensure that Missouri is prepared to wisely invest the assistance that comes from Washington in a way that is efficient, fiscally responsible and consistent with our shared principles.”

—Missouri Gov. Jay Nixon

“The stimulus package is not the answer to all of our challenges. It will not solve the state’s deficit.”

—Wisconsin Gov. Jim Doyle

“Other than possibly doing very harmful things to every dollar held by South Carolinians across this state, and most certainly leaving a frightening invisible federal mortgage to every taxpayer—the bailouts in the end will do nothing to better our economy over the long run.”

—South Carolina Gov. Mark Sanford
“The law says I can cut any department or agency by 5 percent of its appropriations; however I cannot cut any department of agency by more than 5 percent until every department and agency has been cut 5 percent,” he said.

And Virginia Gov. Tim Kaine said education was spared in the three previous rounds of cuts. “However, education is the single largest expenditure in the state budget and the revenue reductions necessary for 2010 are big enough that we will not be able to continue to leave education untouched,” he said.

In higher education, governors in Arkansas, Michigan, Missouri, Nevada, New Jersey, New Mexico, New York, North Dakota and Virginia proposed more funding for financial aid—either grants or scholarships—to help students attend college. Granholm in Michigan and Texas Gov. Rick Perry proposed freezing tuition rates at their states’ colleges and universities.

In South Carolina, Gov. Mark Sanford proposed linking the price of higher education to its cost. “By capping its increase,” he said, “we would force coordination—which is key to preventing higher education from continuing to spiral out of the reach of working families.”

Nevada Gov. Jim Gibbons proposed cuts in general higher education funding, as did Kaine in Virginia, although both left scholarship money intact. In Pennsylvania, Gov. Ed Rendell made a special plea for the legislature to help families who lost ground in the 529 college savings plans, which were hit hard in the stock market collapse.

Health Care

Wisconsin Gov. Jim Doyle said even as states face budget shortfalls because of the faltering economy, more people need help. “The explanation is pretty simple: Almost all states have to pass balanced budgets. So when people lose their jobs and stop buying things, and the demand for state services goes up, states have deficits,” he said.

Nowhere is that more true than in state health care programs. Even before the current economic situation, governors recognized the need to do more in this area.

Governors in Arkansas, Michigan, Missouri, Montana, Nebraska, New Jersey, North Dakota, Ohio and South Dakota proposed increases in the State Children’s Health Insurance Program. This can be addressed, they said, by increasing the eligibility to up to 300 percent of the poverty level, in Ohio, or by identifying those who are already eligible but can’t get through the paperwork, in Missouri.

And governors in Colorado, Idaho, Mississippi, Missouri, New York, Oregon, Pennsylvania, Utah and and Wisconsin proposed action to reduce the number of uninsured people in their states.

In Idaho, Gov. Butch Otter touted a recommendation from the Idaho Health Care Summit, which recommended a Healthy Idaho program that would provide affordable individual and insurance packages for residents ages 25 to 40—the largest group of people without health insurance.

Still some states are proposing some cuts in health care. In Virginia, Kaine proposed cuts in Medicaid without taking anything away from those currently covered. He said the state should set caps on enrollment in certain programs and freeze or reduce provider reimbursement rates. Those steps, in addition to delaying expansion of certain services, could cut the Medicaid budget by $400 million, he said.

Doyle said cuts may also be necessary in Wisconsin’s Medicaid program. “I am not going to say we won’t make reductions in Medicaid, but I will not allow cuts to undermine our ability to get a sick kid to a doctor,” he said.

Colorado Gov. Bill Ritter proposed a strategy to bring more money into Medicaid without additional money from the general fund: Charge hospitals a fee based on patient revenue. “This revenue would then be used to leverage matching federal dollars,” he said. “Finally, the new resources would be used to reduce underpayments to hospitals—stabilizing their rates—and to provide coverage to our most vulnerable populations.”

Several governors—including Hoeven in North Dakota, Paterson in New York, and Perdue in Georgia—also promoted wellness initiatives among their states’ residents.

“At little or no cost, innovative wellness policies at home, at school and at work can make a real difference both personally and collectively, to improving the general health of North Dakota,” Hoeven said.

Infrastructure

“Shovel-ready” projects are getting a lot of attention as states look to the federal government for funding in the proposed stimulus package. And that means governors put a special emphasis on infrastructure projects—from transportation to energy infrastructure to public buildings—in their state of the state addresses.

Those projects are important, they said, for the future economic vitality of each state. Beyond that, it just makes good sense to address the crumbling infrastructure of the country, some of the governors said.

“Here in Pennsylvania, the key to recovery lies in putting our citizens back to work through continued infrastructure investments,” Gov. Ed Rendell said. That includes repairs to bridges, roads and mass transit systems, improvements to water quality and delivery systems, and expansion of the state’s rail freight capacity.

Other governors have plans for infrastructure, using both state funds and money from the federal economic stimulus package, including a gas line in Alaska, passenger rail service between Ohio’s three major cities, and a multi-island highway modernization plan in Hawaii.

Taxes

While many believe raising taxes will only create more roadblocks in the economic recovery, some governors saw this option as an important step to funding programs.

In Idaho, for instance, Otter proposed raising the fuel tax by 2 cents a gallon over five years, increases in the vehicle registration fees, a 6 percent excise tax on car rentals and an elimination of ethanol exemption from the state fuel tax.

Even while proposing some tax cuts, Sanford in South Carolina proposed raising the state’s cigarette tax from 7 cents to 37 cents a pack and increasing the state’s tipping fee on garbage.

Kaine in Virginia proposed a 30 cent per pack increase on cigarette taxes, and Kentucky Gov. Steve Beshear proposed a hefty increase on cigarette taxes, and the legislature recently approved a 30 cent increase.

—Mary Branham Dusenberry is managing editor for State News magazine.

Read about governor’s energy plans on page 28.
State Laws Allow GPS Tracking for High-Risk Abusers, Stalkers

After several tragic domestic violence cases ended in murder, at least 13 states have passed laws allowing courts to require an abuser or stalker to wear GPS devices. The devices send signals to victims when their abusers or stalkers are near or when the offender breaks restraining orders. Backed by an army of victims and family members of victims, GPS domestic violence bills are being considered this session in at least three more states.

By Mikel Chavers

For the better part of 10 months, Cindy Bischof lost her freedom. She was endlessly stalked by her ex-boyfriend, Michael L. Giroux, who just wouldn’t let go of their relationship after Bischof ended it.

She carried Mace and had security cameras installed in both her Illinois and Florida homes. She changed her living arrangements and escaped to her Florida property frequently. She even hired a security guard the night of her office Christmas party for her—and her co-workers’—protection.

Her ex not only threatened her life and did thousands of dollars worth of damage on her townhouse, he also threatened her family. “Our family lived in fear,” said her brother, Mike Bischof.

Then on March 7, 2008, Giroux gunned her down on a Friday afternoon in the parking lot as she left her commercial real estate office in Illinois. He then shot himself. “She was known at the courthouse as the girl with the wish list—her whole nature was she was an extremely cerebral thinker, she was creative. She put deals together by thinking outside the box,” Bischof said of his sister, who was a commercial real estate broker.

One of Cindy’s wishes was to have a GPS tracking bracelet put on her ex so she could be notified when he violated her orders of protection against him. Like many tragic domestic violence and stalking stories, Cindy was a victim who was doing everything she could to protect herself. She pursued every protection the justice system could offer her, Mike Bischof said.

“If he had that bracelet on, signals would have been set off for her to remain in the office and not walk out to her car,” Bischof said.

Since his sister’s death, Bischof has gone on a never-ending campaign to lobby for state GPS laws that allow judges to make
high-risk domestic violence offenders wear special GPS bracelets or anklets. Those devices send a signal to a receiver or cell phone the victim carries. When the stalker or abuser is nearby or in an area that violates court orders of protection—the victim is alerted.

“I would imagine that I’m not going to find a bigger crusade than this in my lifetime,” Bischof said. In early February, he was on the road to Indiana to testify at a hearing before the Indiana House Judiciary Committee for a similar law, House Bill 153, which allows GPS to be used for high-risk domestic violence offenders in Indiana.

The most recent state to pass the GPS domestic violence bill is Illinois, where Cindy was killed. The Illinois bill was signed into law by former Illinois Gov. Rod Blagojevich just five months after Cindy was killed and went into effect just this year.

GPS domestic violence laws exist in at least 12 states. At least three states—Texas, Indiana and Wisconsin—are set to consider similar bills this year, according to information gathered by State News and the Cynthia L. Bischof Memorial Foundation.

**When Restraining Orders Don’t Work**

Supporters of the GPS domestic violence laws say victims need this type of technology as an option to monitor their abuser or stalker because court-issued restraining orders just aren’t working.

Many experts and victims of domestic violence say a restraining order is hard to enforce and victims often have to protect themselves, said Diane Rosenfeld, a professor at Harvard Law School.

But these GPS laws allow an offender to be tracked, often sending a warning signal to the victim when the offender is near or is breaking a restraining order.

“It’s a technological and legal response that requires the criminal justice system to step up to the plate,” Rosenfeld said.

Victims often spend years in court gathering police reports of violence and stalking before they can get a court order of protection such as a permanent restraining order.

One such victim is Alexis Moore from California.

In November 2004 she fled for her life after being seriously abused and knocked unconscious by her ex. They were married, but the marriage was annulled.

“This one particular occurrence he knocked me unconscious and I woke up with him on the cellular telephone; I was lying face down and I still remember it like it was yesterday—it was him on the phone telling his mother, ‘I think I killed her, can you come over here to help me,’ ” Moore said.

And she fled. She left everything behind except the jogging suit she was wearing, which was bloodied and ripped in places. She left her dogs, all her clothes and possessions collected over the years, including childhood items that can never be replaced.

Then he started stalking her.

He not only followed Moore; he also followed her mother and her grandmother, she said. “And then he would call us—that was the scary part—and depict what we were wearing and where we were.”

Moore and her family members lived in fear.

“It got to the point where he was telling me more and more frequently that he was going to kill me, or in his words, he was going to ‘bury me in the backyard’ and then he made threats against my mother and grandmother,” Moore said.

It took her two and a half years to get a permanent domestic violence restraining order against her ex. The restraining order came after about 70 different complaints of stalking she filed against him.

But Moore doesn’t put much stock in what she calls a worthless piece of paper.

“The worst part was when you go and you do get a re-
straining order finally like I did and you go through all of this hell to get one—in order to prove your case you’ve got to have all these police reports and documentation and everything else—the restraining order didn’t do any good,” Moore said.

“Me it was a big waste of time and energy. I felt like it was, you know, the only thing I could do. But that fact that he laughs at it—to him it’s like well, he knows that he’s gotten away with so much over the past few years.”

So she constantly looks over her shoulder and although the incidents are becoming less frequent, Moore is still careful. She knows to shop at certain shopping centers that have cameras. When fueling up, she visits gas stations that have video surveillance.

“I figure I have to do this in order to save my life and a woman should not have to do this,” Moore said.

Moore believes the ability to monitor her stalker’s movements would help.

But some critics of the GPS domestic violence laws say the tragic situations are too few and far between for such a response.

Mike Bischof disagrees.

“We do need to broaden the scope and take the blinders off,” he said. “While there might be 50 people who die, there are far more whose lives are uprooted and have to live in constant fear.”

Levels of Danger

Some experts believe that fear doesn’t always merit constant monitoring. They maintain that GPS tethers should only be used for extreme cases where the victim is in danger and fearing for their life.

“It’s clearly not the answer for all domestic violence cases,” Rosenfeld said.

And the costs of the laws shouldn’t be based as if GPS should be used in all cases, Mike Bischof said. In Indiana, for instance, a cost-analysis of the GPS bill proposal is based on the per diem cost of the technology times the total number of people who violate orders of protection, he said.

But that’s not the best way to calculate the cost of the bill because experts believe not all the domestic violence offenders who violate their orders of protection are considered dangerous enough to have to wear an irremovable GPS device.

That’s where special danger assessments can come in pretty handy, Rosenfeld said. She works closely with a well-established program in Massachusetts that uses the GPS devices for the most dangerous abusers.

The program is called the Greater Newburyport High Risk Response Team and is run through the Jeanne Geiger Crisis Center in Massachusetts. They’ve been using GPS since 2006.

Of the high-risk cases taken on by the team in Massachusetts from 2006 to 2008, 20 percent of the high-risk offenders were monitored using GPS. Of those, 34 percent were monitored post-trial while 56 percent were monitored using GPS post-sentencing, according to the team’s Safety and Accountability report, a three-year status report released in October.

And out of all the cases where the Greater Newburyport High Risk Response Team used GPS, at the time of the report, there had been no recorded GPS violations. It seems the technology combined with the risk assessments was working.

“We’re not saying that everybody that violates an order of protection should mandate the use of the bracelet,” Bischof said.

But in cases like Cindy Bischof’s murder in Illinois and others, violent threats were often repeated and documented.

In fact, Rosenfeld believes homicides from domestic violence are extremely preventable because of the escalating warning signs. She points to the danger assessments developed by expert Jacquelyn Campbell of Johns Hopkins University.

Those are used in the Massachusetts program and look to signs such as whether the offender threatens to kill the victim, whether the offender owns a weapon and whether the victim tries to leave the offender to determine the level of danger the victim is in.

“GPS in itself is not the answer. It has to be done with a danger assessment, because circumstances can change the level of danger,” Rosenfeld said at a policy session on the topic at the CSG annual meeting in Omaha in December.

But some experts are concerned that the GPS bracelets will be over-prescribed and the costly technology will be put on every domestic violence offender that goes before the court. Not true, Bischof said. It’s basically a funnel system, he said. Judges determine the offenders who pose the highest risk and what victims are in imminent danger.

States Take up GPS Bill

In a lot of the states, tragic murders involving domestic violence often set the GPS laws in motion.

In Michigan, Mary Babb was killed by her estranged husband in 2007 after he rammed into her vehicle, overturning it. He then shot her as she hung upside down in the overturned vehicle, helpless. She repeatedly did everything in her power to protect herself, according to her aunt, Paula Andresen.

Andresen took up the effort in Babb’s memory and lobbied for the law in Michigan, which eventually passed (please see sidebar Mary Babb’s Story) and is known as Mary’s Law or House Bill 4453.

“(The GPS law) provides for the court to use it in instances where they feel the circumstances have risen to a level where the victim needs a higher level of protection,” said Michigan Rep. Bill Caul.

Babb was killed in Caul’s community and she worked for his hometown newspaper.

In Michigan, the accused perpetrator pays for use of the device—“basically as a way to continue on with their life and not be put in jail,” Caul said.

And since the law went into effect last July, instead of using the new law, individuals are staying in jail because they can’t afford to pay for the GPS device, Caul said. The cost ranges from $6 to $12 a day depending on the sophistication of the technology, he said.

“We felt that this is the responsibility of the individual that’s being accused. And since they’re the ones that have
been threatening—then they’re the ones that need to be responsible for that,” Caul said.

But at the same time the courts are cautious about overusing it, Caul said.

In these cases of domestic violence, “I think before they authorize this or insist that an individual have this as a condition of their release, they need to hear evidence that there is imminent danger,” Caul said.

“If there had been such a device it would have at least given a warning to Mary,” Caul said.

From Texas, Babb’s cousin, Vicki Sedillo watched her stepmother Paula Andresen fight for the GPS law in Michigan after Babb’s death. Shortly after the Michigan law was passed, there was another domestic violence murder in Corpus Christi, Texas, where Sedillo lives.

GPS monitoring could have prevented the murder—just like in the case of her cousin, she said.

“So I made myself cold call the South Texas Women’s Shelter to ask if they were interested in supporting it,” Sedillo said. The executive director invited Sedillo to speak to a local coalition of business, judicial and law enforcement entities as well as the university and other education venues. Legislators were at the coalition meeting as well.

“Needless to say, it was very hard to do,” Sedillo said. “I’ve never been so nervous in my life, but never more exhilarated, either—I felt I was truly doing something I was meant to do. I spoke to them that day, and there followed a lively session of questions and answers from everyone there.”

It seemed Texas was interested in taking up the bill. Texas Rep. Abel Herrero from Sedillo’s home of Corpus Christi, Texas, plans to introduce the GPS for domestic violence bill.

Indiana is also considering a GPS bill and Bischof is lobbying in Wisconsin in support of a similar movement there for a GPS domestic violence bill.

Wisconsin lawmakers realize that in these tragic domestic violence cases, “law enforcement can almost see this coming but didn’t have a tool in place to stop it,” Zipperer said.

Zipperer believes the bill will be successful. “I would certainly think doing something to help victims in these cases feel safer and have a little peace of mind would garner broad, bipartisan support,” Zipperer said.

But cost could be an issue. “With the state budget here in Wisconsin incredibly tight, we’re looking at having the offender pay for (the GPS monitoring),” Zipperer said, “instead of putting another fee on the backs of taxpayers.”

A similar movement brewing in California for a GPS domestic violence law is slowing because of cost concerns. California Assemblywoman Fiona Ma, also the chairwoman of the Committee on Domestic Violence, is leading the effort for a similar GPS bill. But, according to domestic violence victim Moore, who’s been lobbying for the law in California, that bill will not be filed this legislative session due to California’s budget concerns.

Because the bill is a fiscal bill, meaning money is involved, it can’t be filed in California right now. “They’re not allowing fiscal bills to be brought up because we just don’t have the funding,” Moore said. Calls seeking comment from Ma’s office were not immediately returned.

Moore thinks it will take different state-funded coalitions to set aside part of their state funds to put the GPS technology on high-risk domestic violence offenders.

“But there’s nobody out there that’s willing to take the cut,” she said. “But I believe that’s probably what’s going to have to happen—or victims are going to have to pay for this themselves.”

But for many victims trying to get back on their feet—money can be tight, and the expensive GPS technology which can range from $6 to $12 a day, according to experts, may be just out of reach.

“But I can tell you this most of them say that if they had it, what kind of price tag can they put on their life—so many of them are willing to pay,” Moore said.

—Mikel Chavers is associate editor of State News magazine.
Mary Babb, the domestic violence victim for which Michigan’s Mary’s law is named, was killed by her estranged husband in Michigan in January 2007. Her aunt, Paula Andresen, believes that if Tom Babb had been ordered to wear a special GPS tracking device, Mary would have been alerted he was near and could have avoided her horrific death.

Andresen testified before the Michigan House Judiciary Committee in April 2008 in support of Mary’s law, House Bill 4453.

Larry Burdick, the Isabella County, Mich., prosecutor who prosecuted Tom, also testified. Burdick brought an actual GPS tether and explained the tether and its usage, Andresen said. Isabella County had implemented GPS tracking earlier.

The bill in Michigan passed the committee unanimously and Gov. Jennifer Granholm signed Mary’s law in July 2008.

Here’s how Andresen recounted Mary’s story in her testimony:

“Mary called me the night of Aug. 23, 2006, to come pick them up at the Kalkaska Sheriff’s Department. That night, she literally escaped from Tom. She took (her son) Sam, clad only in his diaper, and fled in terror straight to the nearest police station she could find. She gave her statement to them and pressed charges, and called me to come pick them up. She was frantic and distraught, too upset to drive, too terrified to be alone. My husband Jim and I went to pick them up, and we brought them back to our house.

“We were up most of the night with her, while she talked nonstop, terrified and frantic. She was terrified of what Tom had done and of what he might do next—petrified of what he would do if he found her. (She was) panic-stricken at the thought of the one thing she feared the most: that he would take Sam and she would never see her son again. All the threats he had made over and over came back to haunt her that night, and they never left her again.

“My heart broke as I listened as Sammy asked her, ‘Did Daddy do that?’ and touch her bruises. I fought back the tears as 3-year-old Sammy told us, ‘My daddy smashed my mom’s glasses and he smashed all the phones.’

“Mary left Tom and she pressed charges against him. She filed for divorce; she got her personal protection order. Mary did everything right. She did exactly what she needed to do, but the system failed to understand that paper does not stop bullets. Mary did everything right, but the system failed her, and now she is dead. He murdered her, just like he promised he would do.

“Mary lived the rest of her life in constant fear, and at times in sheer terror. She was always looking over her shoulder, afraid to be alone, always worrying about what Tom was going to do next. She never knew another peaceful day.

“Tom’s reign of terror over Mary ended on Jan. 9, 2007, when he carried out his threat. That day he got in his truck in Evart, drove 50 miles to the Morning Sun in Mount Pleasant where she worked, sat in his truck and he waited. He waited for her to leave the building and get into her car. Then he proceeded to ram her car until it was overturned, walked calmly up to her window and shot and killed her—murdered her in cold blood while she hung upside down and helpless in her seat belt, in broad daylight, and in front of witnesses.

He killed her, just like he said he would.”
More states are looking to the skies to power homes and businesses—wind energy is fast becoming a renewable of choice across much of the American heartland. And states are offering incentives for the wind industry to put up turbines in order to meet a percentage of clean energy resource standards.

By Mary Branham Dusenberry
States looking for a cleaner energy source have found it blowing in the wind.

Not only that: Growing the wind energy industry has helped states meet guidelines for renewable portfolio standards and has developed the economy. It is also helping to reduce the dependence on imported energy, particularly oil from the Middle East, according to those involved in state energy programs across the country.

Take Ohio, where Gov. Ted Strickland last year signed a renewable energy standard that represents the third most aggressive standard in the country, according to the U.S. Department of Energy.

“Wind seems to be the one that is closest to being ready to go to commercial scale, either in Ohio or outside Ohio,” said Mark Shanahan, the governor’s energy adviser.

And Ohio isn’t even one of the top states for wind energy potential. The wind corridor where it’s windiest are generally those states found in the center of the country, basically from Texas north through the Dakotas, according to the American Wind Energy Association.

But even states in the lower wind categories are getting involved with promoting wind as an alternative energy source—39 states have state wind energy programs, according to the association. Some states are also importing—or planning to import—energy created by wind in other states to meet their own renewable portfolio standards. Reaching that market, however, will take some major work on the electricity transmission grid, wind energy experts and advocates say.

Colorado has the sixth largest capacity for wind power with 1,069 megawatts installed, according to Mona Newton, wind program manager for the state. But it has so much more potential—but there’s a glitch.

“Why doesn’t Colorado have even more developed?” she said. “People will respond by saying transmission, transmission, transmission.”

In fact, transmission is one of the major roadblocks to really developing the wind. But along with the federal government, states are getting involved in these cross-border issues involving transmission because they recognize the benefits.

Standards, Other Reasons Spur Growth

Many states that don’t have high wind potential have adopted renewable portfolio standards—typically mandates that require a certain portion of electricity be fueled by renewable energy sources such as wind, solar and hydro. Twenty-eight states now have a renewable portfolio standard, according to Hans Detweiler, manager of state legislation and policy for the American Wind Energy Association.

“When you look at the U.S. electricity markets in terms of the size of markets, the states that have renewable energy standards are really a very significant majority of overall electric sales,” he said. “Renewable energy standards have been very successful market drivers around the country.”

But some of the states with significant wind don’t have such mandates to prompt utilities to use renewable energy. And those states are chugging along because of voluntary efforts.

In Kansas, for instance, Gov. Kathleen Sebelius and utilities entered into a voluntary standard to provide 10 percent of electricity from wind by 2010 and 20 percent by 2020. They beat that goal last year, according to Lt. Gov. Mark Parkinson.

“We were underutilizing our wind resource until two years ago,” Parkinson said.

The state did offer incentives, including a property tax exemption, that has helped spur the growth, he said. In addition, the federal tax credit is a major incentive across the country.

He believes Kansas is attracting substantial growth in the wind industry because of high wind potential and the fact that costs have dropped.

“The wind is so strong in Kansas that it makes economic sense for the utilities to build and own wind farms,” Parkinson said. The cost of a new wind farm, he said, is almost as cheap as a new coal-fired plant.

And that’s one thing that has spurred development in Oklahoma, which also doesn’t have a renewable portfolio standard. “It went on basic economics,” said Steve Studler of the Oklahoma Wind Power Initiative. “When somebody looked at the back of the napkin calculations, they found out they could make money. That’s when the tune of our utilities turned around.”

From a business perspective, then, it just makes sense. T. Boone Pickens, an oil millionaire who launched a campaign last year to promote wind energy, said the United States needs to start looking at its own resources.

“There’s no question when you look at wind and how it’s distributed around the world, we have the best wind and the most consistent wind of anyplace in the world,” Pickens told State News. “It’s a great resource for us.”

Pickens believes there are so many reasons to promote the use of wind energy, as well as other renewable and domestic energy sources. His biggest motivator is security for the country. By using domestic resources, he said, the U.S. is not at the mercy of volatile markets overseas.

The U.S. imports about 70 percent of its crude oil, Pickens said. “Over half of that comes from countries that are not very friendly to us … so the security of the country is now at risk,” he said.

Pickens laments the absence of a federal energy policy and the yearly increase of oil importation. While he promotes the need for action on the federal level, Pickens believes the benefits for states merits action on that level as well.

“Each state has citizens in that state who use energy,” said Mark Ward, senior vice president of Mesa Power, Pickens’ company. “They’re all affected by the price and availability.”

Incentives Lead to Benefits for Communities

But that’s not the only benefit for states; many have seen the economic development that comes along with the wind industry. And that has helped more than a few communities.

Nolan County, Texas, and its largest town of Sweetwater, were losing population in the early part of this decade. There were few jobs and the county was losing businesses—and losing its tax base, according to Tim Fambrough, county judge executive. But that was before Mesa Power contacted county officials about incentives. The county hadn’t established wind energy incentives at that point, but worked up a tax abatement policy in 2001.

Since then, Mesa and other energy companies have constructed 1,300 wind generators in the county, which provided a boost to the local economy. Nolan County has the highest concentration of wind energy in the country. Fambrough said the growth
of the industry has helped stop outmigration of Nolan County residents, as well as bring in jobs.

“A lot of local people have gotten jobs in maintenance of wind generators, in the construction of them, which resulted in lots of growth in Sweetwater,” he said.

And the county’s tax base grew from more than $500 million to just under $2 billion.

Texas allows localities to create tax abatements for such projects, but it also allows school districts to create tax exemptions for companies developing wind projects, according to Dub Taylor, director of the state energy conservation office.

“If a wind farm comes in and say it’s a $500 million investment … if they can essentially pay a much-reduced property tax bill for the first 10 years then that has an obvious economic advantage to the wind farm operator,” he said.

The school district might just get 10 percent of the tax revenue for up to 10 years. “But 10 percent is better than 0 percent. The additional jobs and economic development activities related to construction and maintenance and operation were the long-term benefits that would create revenue and provide benefits to the school,” Taylor said.

On top of that, some states are hoping to draw manufacturers of the wind turbine parts to their states. Ohio, for instance, has instituted a jobs stimulus package, with an important piece related to advanced energy, Shanahan said. It also offered incentives to the utilities to provide the produced power into the electric grid.

He said Ohio is actively negotiating with a number of wind energy companies that produce the turbines or towers.

In wind-rich North Dakota, the economic benefits multiply. Ryan Rauschenberger, manager of energy business development for the state, said the towers and blades are also manufactured in North Dakota. So when a wind farm is developed in the state, two of the three major components of the wind tower come from inside the state, Rauschenberger said.

“It has a tremendous economic impact,” he said.

Sweetwater, Texas, Mayor Greg Wortham, who heads the Texas Wind Energy Clearinghouse, is quick to point out that even states without significant wind capacity can benefit from the industry.

“There will be substantial amounts of work done in regions that will never have substantial wind capacity,” he said. States like Ohio and Michigan, he said, will benefit because of the strong manufacturing history in those states.

**Transmission Lines Now a Must**

Several of the states with significant wind are seeing their energy levels reach a critical mass. Anything more than a particular state needs will need some help getting to the rest of the country. And that means work on the electric grid will be necessary, many of them say.

“The federal government is going to have to do something,” Stadler of Oklahoma said. “The grid was put together in a sense to help manage loads over some areas. But there’s no such thing as a national grid that makes any sense. What we call a grid is actually a cobbled together bunch of lines put up by companies and never intended to interconnect nationally.”

But many state officials aren’t waiting on the federal government to take action; they see the need for interconnectedness and are working toward that goal.

Governors from North Dakota, South Dakota, Minnesota, Iowa and Wisconsin, for instance, signed onto the Upper Midwest Transmission Development Initiative in September 2008 to develop a regional transmission buildout plan. Rauschenberger of North Dakota said those efforts are important to his state.

“It’s developments like these that will allow North Dakota to exceed the already significant installed wind that has taken place in the state,” he said.

North Dakota, ranked first for wind capacity, has 850 megawatts of wind power installed or under construction. That can power more than a quarter million homes, Rauschenberger said. On wind alone, he said, North Dakota generates double the electricity it consumes.
In Colorado, which ranks 11th in wind power and sixth in wind capacity, a new group—the Clean Energy Development Authority—is looking at ways to develop transmission in the state, according to Newton, of the state’s wind program. That group will look at everything from financing to location and operation, she said.

“Most of our transmission is at capacity,” Newton said. The state built some transmission capacity a few years ago, but nothing beyond what was required for new wind farms, she said. That means exporting the power generated by wind has hit a roadblock.

Kansas is working with other states in a group to plan regional transmission of electric power. The state has the potential to create 20,000 megawatts of wind power, Parkinson said, “but only if we have the transmission to export the wind power.”

But Ward of Mesa Power said the country needs a more cohesive plan among states to address the transmission issue. “Historically, transmission in this country has been built on a state by state basis,” he said. “It’s very piecemeal and it’s very difficult to move power from point A or point B if you’re crossing state lines.”

Until the transmission issue is addressed, he said, the U.S. won’t be able to reach its full potential with renewable energy—and that includes wind energy.

“There are some states—and even some areas in states that have wind—where those citizens don’t get the benefit or won’t get the benefit until we have a cohesive plan where we can move this power to all parts of the country,” Ward said.

The economic stimulus package approved by Congress includes funding for transmission lines to move electricity from wind farms and solar installations, many in the West and Southwest, to consumers in the rest of the country.

Detweiler said action at the federal level—with the stimulus bill, a national renewable energy standard and national transmission legislation—are very important in the success of wind energy.

“There’s a lot of congestion in the energy markets,” Detweiler said. “It’s very difficult to move power around long distances.

“If you have a national grid, it’s going to facilitate the movement of power and across the board will make cheaper power available because cheaper power won’t be caught in various pockets around the country but will be able to move around and flow to other markets.”

Pickens and others admit there was more attention paid to renewable energy when a barrel was selling at more than $100 a barrel and the price of gasoline topped $4 a gallon. But Ward said the fact that the price is hovering around $40 a barrel now shouldn’t create a false sense of security.

“The price of oil is going to come back in a big way. We will end up paying for that if we don’t have an effective energy policy,” Ward said.

—Mary Branham Dusenberry is managing editor for State News magazine.
PURSUING CLEANER COAL
States Eye New Ways to Make Coal More Environmentally Friendly
With an eye to making coal more environmentally friendly, states and the industry seek ways to make the numbers work, especially in a weakening economy. Although the technology is expensive, Texas is proposing a tax break and aims to stimulate coal projects that capture CO₂ and use it for enhanced oil recovery, injecting it deep underground.

By Mikel Chavers

“What we’ve got is all our commodity eggs in one fuel basket.”
That’s the underlying issue in Texas, said Texas Rep. Phil King. And that’s one reason the state is pursuing cleaner coal for power, King said.

Texas makes about 70 percent of its energy capacity for producing electricity with natural gas. In order to continue to be able to provide affordable and reliable power, “we have to diversify our fuel mix,” King said.

“But the problem with coal is I don’t know if you’ll ever be able to build another coal plant unless you do some form of carbon sequestration—carbon capture,” King, from Weatherford, Texas, said.

But here’s the problem: That so-called clean coal technology for the next generation of coal-fired power plants is expensive, and King said companies are having a hard time getting over what he calls “the prototype penalty.” He is proposing House Bill 469 this session that incentivizes cleaner coal power plants in Texas.

Under the bill, new coal-fired power plants would have to capture at least 60 percent of the carbon dioxide emissions they give off and be able to put the captured gas into a pipeline to be pumped underground.

For companies doing that, the bill creates a $100 million tax credit against the business tax in Texas—that’s per project for a maximum of three projects statewide. It gives the tax credits only after the plant is in production.

The thought is by the time a few of the next generation cleaner coal-fired power plants are built, “Wall Street won’t be so afraid to finance them,” King said. These new coal-fired power plants could be billion dollar projects.

“Everybody believes you can do it, but everybody’s having trouble making the numbers work to do the first few,” King said.

Prototype Penalty

And although capturing carbon dioxide gas and putting it into a pipeline is not exactly new technology, said Thomas Sarkus of the National Energy Technology Laboratory, it hasn’t been put into action when it comes to coal-fired power plants producing electricity.

It’s already being done in the oil fields of West Texas where oil companies use enhanced oil recovery techniques that pump carbon dioxide gas into the ground to squeeze out all the remaining oil.

It’s also being done in North Dakota at a gasification facility where coal is gasified to produce synthetic natural gas. That gas is pumped by pipeline from North Dakota into Canada.

Similarly in Texas, oil companies pipe in carbon dioxide from New Mexico—they import it—to inject into the ground, squeezing out every last bit of oil in the oil fields, King said.

“So we’ve already got a business model that’s working out there and using carbon dioxide to enhance oil field recovery,” he said. “The problem was investors are very, very nervous about building a prototype clean coal plant.”

Here’s why. “It’s expensive,” Sarkus said.

The cost of capturing the carbon and storing or piping it somewhere—perhaps underground—varies from a 30 percent to 80 percent increase in the cost of electricity, he said. It’s more expensive to retrofit old plants with the technology that’s capable of capturing the carbon and storing it. The 30 percent increase applies more to new plants built with the technology.

If capturing the carbon is going to be done post-combustion, or after the coal is fired, “you’re going to need some sort of retrofit technology that you can put on coal plants,” said Ned Leonard, vice president for technology policy at the American Coalition for Clean Coal Electricity.

And that’s where the technology could add closer to an 80 percent increase to the cost of electricity, according to Sarkus.

Pre-combustion, or before the coal is fired—that’s where the integrated gasification combined cycle projects like the ones Texas is hoping for with H.B. 469 come in—also are expensive but not as pricey in terms of money and energy costs as post-combustion, Leonard said.

Not only is it expensive, but the electric power industry is typically a conservative industry, Sarkus said. “The people in the industry take their reliability of service very seriously,” he said. “They will only invest in new technologies that achieve and demonstrate.”

Because when a source of electricity goes down, it’s a big deal—take blackouts, for example, Sarkus added.

“If there’s a disconnect, it’s that nobody has ever blended a coal project and enhanced oil recovery into a single project—and that’s what we’re trying to do and that’s the prototype side of this,” King said.

Also under the bill in Texas, oil and gas producers would get a discount in their tax structure as long as they’re buying carbon dioxide from that cleaner coal plant, instead of importing the gas from other states.

At the same time—and this goes back to the cost of the technology—liquefied carbon dioxide is an awfully expensive...
byproduct, Leonard said. “When you inject the CO₂ in the ground it has to be a liquid,” he said.

“Enhanced oil recovery is probably where carbon sequestration is really going to take hold—because you can make money doing it,” Leonard said.

And that’s perhaps why Texas seems to be in a different spot than most states. Since the price of natural gas has increased, Texas consumers have seen their electric bills increase as well, King said.

“We have a unique situation here in Texas, we’ve got too heavy of a dependence on natural gas for making electricity—that’s running the price up for consumers. We’ve got coal here in Texas and close enough that we can get it here from other states as well. We also have a business in place with infrastructure in place to get (the liquefied carbon dioxide) to the wells.”

What’s more, “it has the benefit of helping our electric consumers and it has the benefit of helping get more oil out of the ground which is a frankly a national issue,” he said.

Making Believers

But some say clean coal technology is a misnomer and just a marketing and public relations scheme by big coal companies to keep their product relevant.

The Reality Coalition, an organization that includes the League of Conservation Voters, the Natural Resources Defense Council, the National Wildlife Federation and the Sierra Club as members, said, “In reality, there is no such thing as ‘clean’ coal in America today,” according to the group’s Web site. “Coal cannot be called ‘clean’ until its CO₂ emissions are captured and stored safely,” Reality reports.

Steve Running, a Nobel prize recipient and University of Montana professor, is another skeptic. He’s not a big fan of what Montana Gov. Brian Schweitzer is touting as environmentally friendly clean coal.

Although Running is not an expert in clean coal technologies, he thinks that capturing the CO₂, concentrating it, then piping into an injection point only to pump it thousands of feet underground is hardly worthwhile.

“All of this is possible, but it costs a lot of money and energy, dramatically reducing the final efficiency of the generating plant and raising the cost of power produced,” Running said. “So until better ways are found to capture and use the stack CO₂, I find ‘clean coal’ to not be a viable strategy with these types of plans.”

Running works with the University of Montana’s Numerical Terradynamic Simulation Group, a lab pioneering new approaches for addressing regional ecological problems.

But clean coal has made a believer out of former Dallas, Texas, mayor Laura Miller.

Miller fought dirty coal for years while in office, fighting a number of old-generation coal-fired power plants in Texas. So when people say clean coal is a myth and a misnomer, “three years ago, I would have probably believed them,” Miller said.

But she’s seen the technology to make coal cleaner. She’s been to clean coal facilities in Italy and Brussels—“I know that clean coal does exist.”

The new aspect in the U.S. is adding the carbon capture side to the mix, Miller said. Now state government officials have a choice, she said. “You can fight it one dirty coal plant at a time or you can raise the bar and force all the other coal plants to be cleaner.”

And that’s been done before, said Sarkus with the National Energy Technology Laboratory. Making coal cleaner has changed over time. When a clean coal program first started in the U.S. Department of Energy in the 1980s, promoting cleaner ways of using coal in the early days meant using technologies that addressed acid rain, sulfur dioxide and nitrogen dioxide, he said. That’s now grown to include mercury emissions and, in more recent years, the definition has expanded to focus on CO₂.

Miller is such a believer in clean coal, she now works for Summit Power, based in Denver, Colo. Summit Power is basically acting as the developer in a proposed clean coal project near Odessa, Texas. That project would be an integrated gasification combined cycle plant, which means the plant would turn coal into gas.

The proposed 354-megawatt plant would use clean coal technology from Siemens to produce electricity using coal. Plans for the project have 170 megawatts of electricity going to the electric grid and the rest of the electricity would be used to compress that CO₂ gas and pipe it to oil fields for enhanced oil recovery, Miller said.

But although the site for the plant is ready for construction, Miller said the local incentives for the plant haven’t turned out to be enough for the project to move forward.

“Because of the market meltdown, it’s become so difficult to build these projects,” Miller said. “We have asked for some financial incentives to help—the state legislation is very important to that effort.”

Miller said the Summit Power plant should be able to capture well above 65 percent of its carbon dioxide emissions, more than the requirement in the proposed Texas bill.

It would be cleaner than the cleanest natural gas-fired power plant under California or Washington regulations for fossil fuel plants, Miller said. Those states have the strictest regulations in the country.

Summit Power’s project isn’t the only project in the running for the proposed Texas tax credit.

“The bill isn’t specific to any company—it’s Texas-wide,” King said. If the company’s technology is approved, then it will get the tax credits on the tail end.

Tension Brewing

But not every state has been as supportive of clean coal technologies, such as integrated gasification combined cycle power plants—the coal-fired power plants that turn coal into gas, ready to compress then pipe or inject into the ground.

Last spring, American Electric Power’s plans for a multibillion-dollar integrated gasification combined cycle plant to be built in Mason County, W. Va., were stalled when the Virginia State Corporation Commission rejected the plan in May 2008.

“If the public service commissions aren’t convinced that this new build is what’s right in cost and environmental concerns—then they’re going to hold back a little bit,” said Greg Pauley, director of public policy for American Electric Power.

And the decision by Virginia’s regulators basically halted the project, Pauley...
said. The plans for the proposed plant are in limbo, but are “still on the table,” he said.

Sarkus, from the federal government, believes there’s tension brewing between environmental regulators considering CO₂ regulations from an environmental standpoint and economic regulators seeking to keep consumer’s rates from increasing too much.

“In the end, somebody’s got to pay for whatever option we choose,” Sarkus said.

But the time to act may be now, Leonard, from the American Coalition for Clean Coal Electricity, said. “States need to be working as some of them are in terms of teams within the executive and legislative branches really to anticipate what states can and need to do (about coal),” Leonard said. “If the utilities start capturing CO₂, it’s going to drive up the rates of electricity.”

And right now CO₂ is not considered a pollutant; Washington is still considering that issue, but “smart money says it’s going to be a pollutant, but when,” Leonard said.

As far as injecting the captured CO₂ gas and pumping it underground for storage, “If you’re going to be injecting this stuff underground, then property rights are going to be affected,” Leonard said. That’s another consideration with the whole clean coal technology debate.

There could also be liability issues while you’re injecting CO₂ underground, he added. At some point, companies are going to stop injecting the CO₂ underground, so what entity is going to be liable for it when companies have come and gone, Leonard asked, because the captured CO₂ is supposed to stay underground for hundreds or thousands of years.

But until clean coal plants come online in the U.S., there’s still this tension between making coal cleaner and making rates affordable.

Pauley thinks there is a way to marry the new cleaner coal technology with reasonable electricity rates. “We think there are ways that we will refer to as alternative ratemaking—that will help us accomplish mutual goals,” Pauley said.

“The costs are what’s impacting decisions right now.”

—Mikel Chavers is associate editor of State News magazine.

Manchin Supports Clean Coal
Promoting a Clean ‘All-Sources’ Energy Plan

The 2009 president of The Council of State Governments, West Virginia Gov. Joe Manchin, will spearhead CSG’s leadership initiative on energy this year. With the nation’s economic downturn and current recession, the issue of affordable and sustainable energy is rising in importance. Manchin’s stance is: While alternative energy sources may represent the future of America’s power industry, the reality is that traditional sources of energy still dominate the portfolio with more than half the nation’s energy coming from coal alone.

Clean coal technology is not only important to West Virginia, it’s important to the entire country, especially “when you have a dependency that we have on foreign oil,” said West Virginia Gov. Joe Manchin.

“Everyone should figure out what do we have that can immediately reduce that dependency and then how do we transform it into the fuels of the future—that’s what we’re talking about,” Manchin said in an interview with State News.

Today, more than half the electricity produced for the country comes from coal, according to the U.S. Department of Energy.

“With that there’s been pollution that come from so many different facets, and coal being one of them. Now, we have the ability to do it better through research and finding new technologies.”

So coal, Manchin said, has to be a part of the answer.

“We’ve just got to make sure everyone’s on the same page of understanding. If we’re going to use coal—which every economist, every scientist tells us that we will for some time—as we transform to cleaner, greener energies or finding energies of the future, we should be responsible to clean up this form of energy,” Manchin said.

“If you’re saying that by using and burning coal, that the carbon dioxide is basically a pollutant for the atmosphere, they need to be finding ways to clean it up,” Manchin said. “How do you pull off the stream of carbon and heavy metals and be able to put that in a valuable product?”

—Mikel Chavers
Investment in Clean Energy Provides Jobs Jolt to States

Strategies such as tax credits, direct spending and loan guarantees provide state and local governments an opportunity to make a “green investment,” which in turn can lead to employment, sometimes in current jobs, in a new energy economy.

By Tim Anderson

Robert Pollin doesn’t like the term “green jobs.”

But the economics professor is a firm believer in the public policies often associated with the phrase that has caught on in state capitols and Washington, D.C.

He instead prefers using the term “green investment” to describe government strategies—tax credits, direct spending and loan guarantees—that target employment growth in areas such as energy efficiency and renewable or next-generation fuels.

“When you say ‘green jobs,’ I think a lot of people think of it as esoteric, or as just a small group of people coming up with fancy new energy sources,” Pollin, co-director of the University of Massachusetts’ Political Economy Research Institute, said. “There is some of that, but it’s a tiny portion of the job-creating potential.”

Most of the new jobs, he said, would be in occupations people work in today. Roofers, insulators and building inspectors would retrofit buildings and make them more energy-efficient. Wind farms would rely on the expertise of machinists and sheet-metal workers. Engineers and electricians would help expand mass-transit systems.

Pollin’s September 2008 study, “Green Recovery,” tries to quantify the impact of a two-year, $100 billion federal investment in six specific energy-efficiency and renewable-energy areas. His conclusion: 2 million new jobs would be created nationwide.

Bright Idea, or a Bad One?

In the 11-state Midwest, the study found, more than 400,000 jobs would be added over the next two years. That would be a welcome jobs jolt in a region where unemployment rates have been on the rise. Between November 2007 and November 2008, the number of people unemployed in the Midwest rose by 530,000.

To Pollin and other proponents, then, public investments in the green infrastructure are a win-win: Create jobs in a labor-intensive, domestically based economic sector while also accelerating a state’s—or the entire nation’s—effort to be more energy-independent and environmentally friendly.

“The idea is to create incentives (for the private sector) by making green investments a lower risk and more profitable,” he says.

But there are skeptics.

They instead see a lose-lose scenario: an inefficient or wasteful use of public dollars during tough fiscal times that also
could result in a loss of jobs in other economic sectors, particularly if new regulations accompany the investments. Pollin, for example, says a national cap-and-trade program could pay for his proposal.

“Energy is a very special industry; our economy is literally powered by it,” said William Yeatman, an energy policy analyst at the Competitive Enterprise Institute, who believes the market, not politicians, should be trusted to guide future energy investments.

“As a result, you run the risk of taking dollars out of everyone’s pockets (with higher energy prices), and simply shifting jobs into different sectors at the expense of others.

“And along the way, there is a giant waste (of tax dollars) on technologies that are not viable or on new regulations that will never be followed through on once we realize their true economic consequences.”

**Changes In State Energy Policies**

The debate over green jobs and investments is playing out now as federal lawmakers consider how best to spur job growth.

It is a familiar discussion to state policymakers in the Midwest.

Over the past few years, the region has seen significant changes in energy policy, both in terms of new state investments and mandates.

All states in the Midwest have enacted tax and/or spending policies that many would say qualify as green, from investing more in conservation and alternative-energy technologies to promoting a greater use of biofuels and wind power.

In addition, six states in the region—Illinois, Iowa, Michigan, Minnesota, Ohio and Wisconsin—now have some type of renewable portfolio standard in place. All these existing RPS laws have been enacted over the last three years. Illinois, Michigan, Minnesota and Ohio have established energy-efficiency standards as well.

According to Pollin, investment and regulation can and should complement each other.

“Investments … are ways for government to finance the transition so that new standards and regulations can be met,” he said.

‘Position Our State to Be a Leader’

Exactly how far the federal government goes—in terms of new spending or mandates—remains to be seen.

States, meanwhile, already are experimenting with their own initiatives, including new tax incentives and grant programs that target energy advances as a way of growing their own economies and generating jobs.

“Our goal is to position our state to be a leader in the changes in energy that we know are coming,” said Roya Stanley, director of Iowa’s recently created Office of Energy Independence.

“We want the new energy technologies and the new green jobs to be created here.”

With those objectives in mind, the Iowa General Assembly created the four-year, $100 million Power Fund in 2007. The fund is administered by an 18-member board—none of the voting members are in state government—with help from a due diligence committee that determines the economic and technological feasibility of different projects.

The state has thus far received 150 initial applications seeking dollars for research, products or programs related to energy efficiency, biofuels and biomass, or wind and solar power. The board has approved $30 million in state grants for 18 different projects by the end of 2008.

Stanley said the board looks to fund projects that not only will have the greatest impact on Iowa’s overall economy, but that “other people have put money into.”

For example, the board has awarded $14.5 million to a $200 million cellulosic ethanol plant in the town of Emmetsburg. Slated to be up and running in 2010, the facility will turn corn cobs into ethanol. The federal government is putting $80 million into the project, Stanley said, and the owner and operator of the plant, POET, is investing $85 million.

If the Emmetsburg plant is successful, PET says, the company will add cellulosic ethanol production to its other existing facilities in Iowa, creating up to 2,700 new jobs while also providing the state’s farmers with a new product.

“In many cases, the [Power Fund] projects are laying the groundwork for jobs in green technology, rather than creating new ones right away,” Stanley says.

**Energy, Economy for Next Generation**

Energy has become an integral part of economic development policy in Michigan as well.

“We’ve been able to agree, the governor and the legislature, that energy is one of the sectors we should target as important for the next generation in Michigan,” said Sen. Jason Allen of Traverse City.

Several months ago, Allen led legislative efforts to create the $45 million Centers of Energy Excellence program, which gets money from an existing jobs fund. The Michigan initiative, like Iowa’s Power Fund, is a grant program.

Senate Bill 1380 targets assistance for public-private partnerships between universities and for-profit companies researching, developing or commercializing advanced-energy technologies and products.

One early recipient of grant money is a proposed “wood to wheels” cellulosic ethanol plant, a large-scale facility in the state’s Upper Peninsula that will convert non-food sources such as wood chips into ethanol. Another Center of Energy Excellence in Ann Arbor will seek to improve battery technology for electric cars.

But this grant program is only one part of Michigan’s focus on the energy economy. Tax credits approved earlier this year helped secure the $1 billion expansion of a solar-energy manufacturing plant. The state also has authorized 15 renewable-fuels renaissance zones.

Late in 2008, the legislature passed tax credits to lure manufacturers who make high-tech batteries for hybrid and electric vehicles. This emerging industry is currently centered overseas, Allen said, and the state wants to bring it to Michigan. That includes making sure factories associated with General Motors’ Chevy Volt are located in the state.

The underlying goal of Michigan’s new advanced-energy grant programs and tax incentives is to put more people to work.

With this in mind, the state also is targeting work force development programs for “green jobs.” For example, it is looking to train more workers in fields related to alternative-energy production, green-building construction and retrofitting, and agricultural conservation.

To underscore the state’s commitment, Gov. Jennifer Granholm has changed the name of the former Department of Labor and Economic Growth to the Department of Energy, Labor and Economic Growth.
Governors across the country are considering various plans to diversify their energy portfolios. Several shared their energy vision in the State of the State addresses given in January and early February.

By Mary Branham Dusenberry

It’s a new day for energy efforts in many states.

Of the 40 governors who gave their State of the State addresses by early February, 25 specifically mentioned addressing the energy needs of their states and the nation in general, while also touting the economic benefits such developments bring. In many cases, governors focused on diversity in their energy portfolios, seeking to harness energy from wind, solar, biofuels, coal, natural gas and nuclear. And 10 governors sought to bring focus to the benefits of energy efficiency and conservation.

Renewable Portfolio Standards

Twenty-eight states currently have renewable portfolio standards, but six governors proposed increasing those standards—including an ambitious proposal from Alaska Gov. Sarah Palin, who proposed generating 50 percent of her state’s electric power from renewable sources by 2025.

“That’s an unprecedented policy across the U.S., but we’re the state that can do it with our abundant renewables and with Alaskan ingenuity,” she said.

Governors of New York, Virginia, Hawaii, Nevada and Michigan also proposed higher use levels of renewable energy. Gov. Linda Lingle said the Hawaii Clean Energy Initiative, working with the U.S. Department of Agriculture, established a goal of a 70 percent clean energy economy by 2030. That goal includes the use of renewable energy—including wind and geothermal—as well as improved energy efficiency and conservation.

Gov. David Paterson increased New York’s goal of renewable energy for electricity to 45 percent by 2015, while Virginia Gov. Tim Kaine proposed increasing his state’s renewable portfolio standard from 12 percent to 15 percent by 2025. Nevada Gov. Jim Gibbons proposed increasing the standards, but didn’t specify the target.

In Michigan, Gov. Jennifer Granholm proposed an aggressive goal of cutting the state’s reliance on fossil fuels for electricity by 45 percent by 2020. That energy goal, she said, would also create economic development for the state.

“As instead of spending nearly $2 billion a year importing coal or natural gas from other states, we’ll be spending our energy dollars on Michigan wind turbines, Michigan solar panels, Michigan energy-efficient devices, all designed, manufactured and installed by Michigan workers,” she said.

As the Wind Blows

Thirteen governors touted the growth of wind in their state and advocated doing more to attract this growing industry. Those states—Colorado, Hawaii, Kansas, Michigan, Minnesota, Montana, Nevada, New Mexico, North Dakota, Oklahoma, South Dakota, Texas and Utah—have already established a growing wind industry. (Please see story on page 18)

Kansas Gov. Kathleen Sebelius said in her address that her state is well-suited to lead the country in renewable energy. “The American energy crisis provides Kansas with challenges we must face and opportunities that we must seize,” she said. “To do so, we must harness all of the energy we can from wind, and we’ve made significant progress.”

Her goal is 10,000 megawatts of wind energy powered in the Kansas prairies.

But even as states are offering incentives for the development of wind power, Gov. Dave Freudenthal has asked the Wyoming legislature to remove the sales and use tax exemptions on the development of wind energy. He said counties in which wind farms have been developed have no revenue.

“The driving force behind the development of wind energy is not an exemption from the state sales and use tax,” he said, “it’s the federal production tax credit.”

The Sun Shines Power

Twelve governors touted solar power in their addresses, and one proposed adding incentives to develop solar. New Mexico Gov. Bill Richardson proposed making solar and geothermal energy providers eligible for the states’ advanced energy tax credit.

Colorado Gov. Bill Ritter proposed legislation that requires all new single-family homes come with a solar-ready option.

Two states—Oregon and Georgia—are focused on developing the manufacturing industry around the solar industry. Or-
Oregon Gov. Ted Kulongoski said “the largest number of photo voltaic solar cells in North America will be manufactured in Oregon.” And Georgia Gov. Sonny Perdue said a Norcross-based company began fabricating the most advanced solar technology in the world in November.

**Diversity is the Ticket**

A diverse energy portfolio is a key for many states. Texas Gov. Rick Perry said his state has been taking an “all-of-the-above approach to energy, increasing our affordable supplies of traditional energy sources, as well as wind, solar, biofuels and nuclear, as a way to bolster our economy and move us closer to energy independence.”

And there are other green energy initiatives across the states. Six governors—of Arkansas, Kentucky, North Dakota, Oklahoma, South Dakota and Texas—mentioned biofuels and the need for research and growth in those areas. South Dakota Gov. Mike Rounds said his state produced more ethanol than it used in gasoline in 2007. “We are on our way to not only becoming energy independent for all those types of vehicles, but we have enough ethanol to export to other states,” he said.

Perry said states must be careful in venturing into this arena. “Texas has a huge opportunity in biofuels if we’ll continue leveraging our state’s energy expertise while avoiding use of food crops for energy, a practice that harms our farmers and ranchers, and drives up the family grocery bill.”

Arkansas Gov. Mike Beebe stressed the importance of this growing field. “By continuing to develop alternative energies, we lessen our dependence on fossil fuels and shrug off the grip of foreign powers,” he said. “That money can go into the pockets of farmers, timber growers and innovators in Arkansas, and throughout America, creating jobs while we become better stewards of our environment, our resources and our natural resources.”

But that doesn’t mean renewable energy is the only thing on the minds of governors. As Palin from Alaska pointed out, states need to look at available fossil fuels and other alternatives as the renewable resources reach their full potential.

Palin, for instance, touted the development of a natural gas line to power her state and the lower 48 states. Beebe in Arkansas and Gov. Jon Huntsman in Utah also stressed the need to look at this energy source. Huntsman set a goal of having Interstate 15 from Idaho to Arizona designed as a natural gas corridor.

Nuclear energy is also making a comeback in some states. Texas—and with Kentucky—are taking a new look at nuclear power. Kentucky Gov. Steve Beshear wants to see his state revisit the issue of nuclear energy.

“Kentucky must—in a bipartisan fashion—decide how aggressively to move forward on an energy source that already accounts for 20 percent of the nation’s baseload electricity generation,” he said.

States are also looking at coal. (Please see story on page 22). North Dakota Gov. John Hoeven and Freudenthal of Wyoming stressed the need for coal gasification projects.

Hoeven suggested plans to partner cleaner coal with wind. “By partnering wind farms with coal gas plants that sequester CO₂, we can keep electricity flowing through the lines and justify the costs because they work in tandem to provide a continuous, clean supply of electricity,” he said. “When the wind is blowing, they can generate power from wind, and when the wind is not blowing, they can generate power from gas turbines.”

**Power to the People**

But developing energy sources is only part of the battle. Several governors mentioned the need to buildout the electric transmission grid.

“The biggest challenge in expanding wind power is obtaining the transmission capacity to send that new electricity from wind farms to customers who are often in other states,” said Rounds of South Dakota.

Even in Texas, which basically operates its own transmission grid, transmission is a problem. “… We need to build out the transmission and distribution lines, streamline the regulations and cut the red tape so we can move this power to where it’s needed,” Perry said.

**Saving for the Future**

And while new energy sources may lower the cost of powering homes and businesses, “the cleanest and cheapest energy is energy we don’t use in the first place,” said Sebelius of Kansas.

She and nine other governors suggested energy efficiency and conservation are needed. Kaine of Virginia said energy conservation must be a part of any long-term energy plan.

“Whether it’s changing old light bulbs for new fluorescent ones, adding insulation to reduce heating costs, turning computers off when we leave the office, or using public transit, each of us can do the little things that together make a tremendous difference,” he said. “There’s no question that energy is the next great challenge of our generation.”

—Mary Branham Dusenberry is managing editor of State News magazine.
And in Texas, like some other states, nuclear energy may be making a comeback.

“We’ve done a great job of building out wind—we’re the number one wind state in the country, by far. But we’ve got to build more nuclear and we’ve got to build more coal,” said Texas Rep. Phil King.

In fact, most of the states with financial incentives for nuclear are concentrated in the Southeast and Midwest, including Texas, according to a new Trends in America policy brief, “Nuclear Power May Make Comeback.”

Princeton, N.J.-based NRG Energy Inc. expects to receive a license for two new nuclear power reactors at the South Texas Project in 2012, based on a review schedule issued in mid-February by the Nuclear Regulatory Commission.

That could mean Texas could get two new nuclear reactors as early as 2016—the company’s most recent forecast for completing the first reactor is that year, according to The Dallas Morning-News.

But, upfront costs of building new nuclear power plants can be staggering, according to CSG’s nuclear energy brief. When another nuclear power company, Detroit-based DTE Energy, first announced its plan to build a new 150 megawatt nuclear reactor at the Fermi plant in Michigan in February 2007, the company estimated the total project cost at $3 billion, according to the brief.

By the time the company filed its license application in September 2008, that estimate had ballooned to $10 billion. But, the rise in the cost of the new Fermi reactor is not unusual. The length of the review process and construction could run 10 years, making it difficult to reliably estimate total project costs, especially when the cost of materials and fuel are on the rise. Most estimates, however, put the cost of new reactors at $6 billion to $10 billion apiece, according to the Trends brief.

Also in mid-February, the U.S. Department of Energy said it would begin its process in deciding whether to guarantee loans for the Texas project, the Dallas Morning-News reports. That could bring the project with the hefty price tag of $8 billion, one step closer to winning one of the few loan guarantees the government might hand out, the newspaper reports.

NRG Energy touts nuclear in Texas as a safe, clean, inexpensive form of electricity. And the brief addresses that issue. The philosophy behind plant design is “defense in depth,” with reactors relying on multiple back-up systems—many of them automatic—to assure safe operation, according to the brief. While no technology is completely risk-free, advances in plant design—such as greater reliance on passive safety systems—should make the next generation of nuclear plants even safer than their counterparts operating today, according to the brief.

Some environmental groups argue that reactors aren’t safe, clean or inexpensive and nuclear power plants create dangerous nuclear waste and cost far more than some other types of power generation or energy efficiency, according to the Dallas Morning-News.
Trends in America: **Nuclear Power**

In June 2007, The Council of State Governments released a report focusing on 10 trends that state policy experts, state government leaders and business professionals have identified as major forces of change. The Trends in America briefs are periodically released throughout the year. The Trends in America series will continue to educate state officials through online issue briefs on many of these important topics.

**Fast Facts:**

- Nuclear power is the second largest source of electric power generation in the country and existing plants are considered among the most economic on the grid today, according to the U.S. Department of Energy.

- Congress established the national policy on nuclear waste disposal in 1982 when it passed the Nuclear Waste Policy Act. The act gave the federal government the responsibility for developing and operating a permanent repository for spent fuel and high-level radioactive waste. To pay for this service, ratepayers who benefit from nuclear energy contribute to the Nuclear Waste Fund. As of March 31, 2008, ratepayers had contributed nearly $16 billion to the fund.
Two new governors are serving their states as a result of gubernatorial successions. Arizona Gov. Jan Brewer and Illinois Gov. Pat Quinn gained their respective posts just seven days apart.

Brewer, who was sworn in Jan. 22, brings 26 years of experience to the office, including serving as secretary of state, state representative, state senator and a county board of supervisors chairman. In her first official act, she issued a management directive to state agency directors calling for a temporary freeze on all new state government regulations.

“It is imperative that my senior staff and I perform a thorough review of all regulatory mandates set in motion by previous administrations. We must assess where the regulatory burdens lie and determine how they are appropriately or inappropriately impacting the citizens of Arizona,” Brewer said in a press release. “We must make sure that Arizona is the most economically vibrant place in the world through freedom from archaic regulation.”

Brewer, former Arizona secretary of state, became governor after former Arizona Gov. Janet Napolitano resigned to accept a position as the U.S. secretary of Homeland Security Jan. 21. Brewer has supported a measure throughout her tenure as secretary of state to change in the title of secretary of state to lieutenant governor in recognition of the important succession role.

In Illinois, Lt. Gov. Pat Quinn became governor after the impeachment of Rod Blagojevich Jan. 2. Quinn served as lieutenant governor, state treasurer, a tax appeals commissioner and as revenue director for the city of Chicago. In his inaugural address, he declared 2009 in Illinois “a year of reform.” His first official act as governor was to create a permanent ethics commission under the governor’s office. He asked the commission for suggestions on cleaning up Illinois politics within 100 days.

Both governors were members of the National Lieutenant Governors Association Executive Committee. NLGA is a CSG affiliate.

“Seventeen lieutenant governors and officials second-in-command have succeeded to governor this decade,” said NLGA Director Julia Hurst. “The office of lieutenant governor is a vital office with an occupant who plays a critical daily and long-range role in state government.”

When New Jersey voters elect their first lieutenant governor in November, 45 states will have officials with the lieutenant governor title.

The deadline for The Council of State Governments Innovations program has been extended to March 23.

The CSG Innovations program is the only state award program in which winners are selected by state officials. The program, now in its 23rd year, selects winners on the following criteria:

- **Newness**—The program should be between nine months and five years old by the submission deadline.
- **Creativity**—The program should represent a new and creative approach to problems or issues.
- **Effectiveness**—The program or practice should be effective in achieving its goals and purposes.
- **Transferability**—The program or practice should be easily transferred to other states.
- **Significance**—The program or practice should address a significant regional issue or problems that are regional in scope.

Applications for the program can be found at www.csg.org.
CSG-WEST Publishes Photo Stories from 2008

Using colorful photo stories featuring lawmakers from 13 Western states, Mexico and Canada, the recently published 2008 Year in Review from The Council of State Governments-WEST showcases the organization’s 2008 activities. The annual report also previews what’s coming up in 2009.

Readers will enjoy shots of state lawmakers as they share innovative policy ideas in sessions from energy to education at the very popular summer 2008 CSG-WEST annual meeting hosted by the Alaska Legislature. Check out the story and map that depict legislative activities along the border between U.S. and Mexico where CSG works with state lawmakers in both countries to solve common problems. Discover what lawmakers in the Pacific Northwest are reviewing in the Columbia River Basin.

Also vividly portrayed in this report is CSG-WEST’s growing investment in professional development. Don’t miss shots of newer lawmakers at CSG-WEST’s prestigious Western Legislative Academy in Colorado Springs. Take a look at legislators at all stages of their careers as they spend a day at the Annual Legislative Training Assembly polishing legislative skills. Find out what top nonpartisan staff leaders were doing to improve legislative management skills when they gathered this fall in Santa Fe.

The Year in Review also gives readers a preview in pictures of the 2009 CSG-WEST annual meeting Oct. 5-8 in Santa Fe. From Alaska to New Mexico and beyond, this report honors the dedicated and diverse public servants who serve in Western state legislatures.

For a copy of the CSG-WEST 2008 Year in Review, call the CSG-WEST office at (916) 553-4423.

Newer Legislators Encouraged to Apply for Midwestern Leadership Institute

As the Bowhay Institute for Legislative Leadership Development marks its 15th anniversary this year, members of the BILLD Steering Committee and its staff are hard at work planning the 2009 program, set for July 10–14 in Madison, Wis.

Applications are due March 30 for the program that focuses on three core areas—leadership training, professional development and policy analysis—in an effort to improve the leadership and policymaking skills of Midwestern legislators in their first four years of service.

This year’s curriculum will provide training in areas such as leadership styles, consensus building, time management, communications and public speaking. In addition, the agenda will include public policy discussions focusing on fiscal conditions of the Midwestern states, strategies for developing the region’s energy economy, and the impact of federal health care proposals on the states.

The Midwestern Legislative Conference will once again partner with the University of Wisconsin-Madison’s Robert M. La Follette School of Public Affairs in presenting the Bowhay Institute. This collaboration allows the institute to tap into the expertise of top scholars in a variety of policy areas.

The fellows also receive training from professional development experts, as well as current and former legislative leaders from around the region.

Since its inception in 1995, nearly 500 lawmakers have graduated from BILLD, many of whom have gone on to hold key leadership positions in their legislatures.

Fellowships will be awarded this year to 36 Midwestern lawmakers through a competitive, nonpartisan application process. BILLD fellows are chosen for the program by the steering committee, a bipartisan group of legislators from the 11 Midwestern states.

The fellowship covers the cost of tuition, lodging and meals. Each participant also is eligible for a nominal travel stipend, which helps cover the cost of travel to and from Madison.

All Midwestern legislators in their first four years of service are encouraged to apply for BILLD. Contact Laura A. Tomaka at (630) 925-1922 or ltomaka@csg.org for a copy of the application.

Application materials are also available online at www.csgmidwest.org/About/BILLD.htm.
This calendar lists meetings as designated by CSG’s Annual Meeting Committee. For details of a meeting, call the number listed. “CSG” denotes affiliate organizations of CSG. Visit www.csg.org for updates and more extensive listings.

### March 2009

**March 6–8**
- **CSG/ERC Executive Committee Meeting**—Burlington, VT—The Hilton Burlington Hotel. Contact Michelle Shiwmber at (646) 383-5728 or mshiwmber@csg.org.

**March 7–10**
- **National Emergency Management Association (NEMA) Mid-Year Conference**—Alexandria, VA—Hilton Alexandria Mark Center. Contact Karen Cobulus at (859) 244-8143 or kcobulus@csg.org. Visit www.nemaweb.org.

**March 8–11**
- **National Association of State Treasurers (NAST) Legislative Conference**—Washington, DC—Willard InterContinental Hotel. Contact Adnée Hamilton at (859) 244-8174 or ahamilton@csg.org.

**March 16–17**
- **The Council of State Governments and The Urban Institute State Comparative Performance Measurement Project Meeting**—Washington, D.C.—Hall of the States. Contact Jennifer Burnett at (859) 351-4602 or jburnett@csg.org.

### April 2009

**April 15–17**

**April 18–21**
- **National Association of State Technology Directors (NASTD) Eastern Region Seminar**—Saratoga Springs, NY—The Saratoga Hilton. Contact Pamela Johnson at (859) 244-8184 or pjjohnson@csg.org. Visit www.nastd.org.

### May 2009

**May 3–6**
- **National Association of State Technology Directors (NASTD) Midwestern Region Seminar**—Madison, WI—The Madison Concourse Hotel. Contact Pamela Johnson at (859) 244-8184 or pjjohnson@csg.org. Visit www.nastd.org.

**May 12–15**
- **National Association of State Treasurers (NAST) Treasury Management Conference & Exposition**—Atlanta, GA—Marriott Marquis Hotel. Contact Adnée Hamilton at (859) 244-8174 or ahamilton@csg.org.

**May 16–18**
- **CSG 2009 Spring Conference**—Coeur d’Alene, ID. Contact registration at (800) 800-1910 or registration@csg.org.

### June 2009

**June 6–9**
- **National Association of State Technology Directors (NASTD) Western Region Seminar**—Whitefish, MT—Grouse Mountain Lodge. Contact Pamela Johnson at (859) 244-8184 or pjjohnson@csg.org. Visit www.nastd.org.

**June 27–July 1**
- **National Association of State Technology Directors (NASTD) Southern Region Summer Seminar**—Louisville, KY—The Brown Hotel. Contact Pamela Johnson at (859) 244-8184 or pjjohnson@csg.org. Visit www.nastd.org.

### July 2009

**July 10–14**
- **CSG/Midwestern Legislative Conference—15th Annual Bowhay Institute for Legislative Leadership Development (BILLD)**—Madison, WI—Fluno Center of Executive Education. Contact Laura Tomaka at (630) 925-1922 or ltomaka@csg.org.

**July 11–15**
- **National Association of State Personnel Executives Annual Meeting**—Park City, UT—Park City Marriott. Contact Jessica Ruble at (859) 244-8179 or jruble@csg.org.

### August 2009

**Aug. 2–5**
- **CSG/ERC Annual Meeting**—Burlington, VT—The Hilton Burlington Hotel. Private sector contact is Michelle Shiwmber at (646) 383-5728 or mshiwmber@csg.org. Public sector contact is Cynthia Valle at (646) 383-5726 or cvalle@csg.org.

**Aug. 5–8**
- **CSG-WEST Western Legislative Academy**—Colorado Springs, CO. Contact Mary Lou Cooper or Cheryl Duvachelle at (916) 553-4423 or csgw@csg.org.

**Aug. 9–12**
- **National Association of State Technology Directors (NASTD) 32nd Annual Conference & Technology Showcase**—Montgomery, AL—Renaissance Montgomery Hotel & Spa at the Convention Center. Contact Pamela Johnson at (859) 244-8184 or pjjohnson@csg.org. Visit www.nastd.org.

**Aug. 15–19**
- **CSG/Southern Legislative Conference**—63rd Annual Meeting—Winston-Salem, NC. Contact Elizabeth Lewis at (404) 633-1866 or visit www.slcatlanta.org for additional information.
Although the federal government tends to get more attention, state officials are often on the front lines of cutting-edge trends and issues. On the other hand, sometimes in the community of state governments, the more things change, the more they stay the same.

In print since 1958, State News (formerly State Government News) has chronicled many of the changes … and continuities. Here’s what we reported on:

40 years ago—March 1969

Electoral College Reform

Then-President Richard Nixon called for reform of the Electoral College system, according to an article in the March 1969 State Government News. Nixon said he personally believed “that the candidate who wins the most popular votes should become president.” Nixon conceded that “practicality demands recognition that the electoral system is deeply rooted in American history and federalism.”

The president called for a constitutional amendment that could carry Congress and three-fourths of the states by 1972. He said the allocation of electors should more closely resemble the popular vote in each state, and also suggested a 40 percent electoral vote plurality be necessary to choose a president. He recommended a runoff election if no candidate received 40 percent.

Congress began considering three distinct types of bills related to the election: A direct election that would eliminate the electoral college and be based solely on the popular vote; a district method in which a plurality in an electoral district would receive the vote of its elector, and the candidate with a plurality of the votes in a state would receive the two electoral votes equal to the senators in the state; and a proportional method in which each candidate would receive the electoral votes of a state proportional to the popular votes he or she won in a state.

Update

As of December 2008, 22 state legislative chambers had passed bills to select the president on a national popular vote, according to National Popular Vote Inc., a nonprofit corporation whose specific purpose is to study, analyze and educate the public regarding its proposal to implement a nationwide popular election of the President of the United States. That number includes both chambers in California, Hawaii, Illinois, Maryland, Massachusetts, New Jersey, Rhode Island and Vermont. The plan has been endorsed by 1,246 state legislators across the country, including 460 state legislative sponsors and 786 other legislators who have cast votes in support of the plan, according to the organization’s Web site.

25 years ago—March 1984

Asbestos in Schools

An article in the March 1984 State Government News looked at efforts to remove the material from school buildings across the country. Elaine S. Knapp, then-State Government News editor, interviewed asbestos coordinators in five of the 10 Environmental Protection Agency regions as well as state asbestos coordinators. Most found a high percentage of schools either had not been inspected or had not notified parents and employees of asbestos in the schools, as required by the EPA.

Asbestos was recognized as a nationwide health problem by Congress in 1980, but there was no real federal effort to protect the health of exposed school children, the article said. And while most states had asbestos coordinators at the time, few of them mandated cleanup or provided funds for removal. Essentially, removal and cleanup was left to local school districts, the article said.

Update

The Asbestos Hazard Emergency Response Act, a provision of the Toxic Substances Control Act, became law in 1986. The act requires local education agencies to inspect their schools for asbestos-containing building material and prepare management plans to prevent or reduce asbestos hazards, according to the EPA Web site.

The law applies to both public and private schools, including charter schools and schools affiliated with religious institutions. EPA provides local education agencies and parents and teachers information about the act’s asbestos-in-schools requirements through mailings and other outreach.

In some states, such as Kentucky, the EPA has granted state agencies the primary authority to oversee compliance with the federal asbestos-in-schools requirements, according to a press release on the state’s Web site. In 2007, the EPA granted Kentucky’s Division for Air Quality primary authority to oversee compliance with federal asbestos-in-schools requirements, because the department had demonstrated its asbestos-in-schools program is as effective as the federal program administered by EPA.

10 years ago—February 1999

States Help Families Save

States across the country began offering programs to help low-income families save for the future. Individual Development Accounts encourage low-income families to save for the future without losing welfare benefits. Nine states matched savings made by individuals in 1999, according to a March 1999 article in State Government News. And a new federal law at the time provided federal matching funds for such accounts, which were restricted to funding a college education, capitalizing a business or purchasing a first home.

The nine states matching savings in these accounts in 1999 were Illinois, Indiana, Iowa, Maryland, Minnesota, North Carolina, Oklahoma, Pennsylvania and Virginia, according to the article.

Update

Some form of Individual Development Account legislation has been passed in 35 states, as well as Washington, D.C., and Puerto Rico, according to the Center for Social Development. According to the organization’s Web site, more than 500 IDA initiatives exist in communities across the U.S., and at least 10,000 people hold an IDA account. The center also said 30 states have included IDAs in their Temporary Assistance for Needy Families plans.