



State of Wisconsin
2025 - 2026 LEGISLATURE

LRB-5272/1

EHS:cjs

2025 BILL

1 **AN ACT** *to create* 196.025 (1h) of the statutes; **relating to:** Public Service
2 Commission consideration of the social cost of carbon emissions and the
3 recovery of costs relating to fossil fuel energy production infrastructure and
4 transitioning to renewable resource energy production.

Analysis by the Legislative Reference Bureau

This bill requires the Public Service Commission to consider the social cost of carbon in determining whether to issue certificates required to construct large electric generating facilities or high-voltage transmission lines or to engage in certain other public utility projects. The bill defines “social cost of carbon” as an estimate, in dollars, representing the damage incurred by the emission of one additional metric ton of carbon dioxide, as calculated by the most recent scientific and economic advances in such a calculation, as determined by PSC, but not less than \$185 per metric ton of carbon dioxide.

The bill also requires PSC to ensure in rate-making orders that 1) any costs for infrastructure necessary to expand the production and distribution of energy produced using fossil fuels may be recovered only from customers that receive the primary benefit of that infrastructure and 2) any costs incurred in transitioning from producing energy using fossil fuels to producing energy using renewable resources are not recovered from any customer.

BILL**SECTION 1**

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

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

SECTION 1. 196.025 (1h) of the statutes is created to read:

196.025 (1h) SOCIAL COST OF CARBON EMISSIONS. (a) In this subsection:

1. “Renewable resource” has the meaning given in s. 196.378 (1) (h).

2. “Social cost of carbon” means an estimate, in dollars, representing the damage to the environment that would be incurred by the emission from human activity of one additional metric ton of carbon dioxide, as calculated by the most recent scientific and economic advances in such a calculation, as determined by the commission, but not less than \$185 per metric ton of carbon dioxide.

(b) The commission shall consider the social cost of carbon in determining whether to issue certificates under ss. 196.49 and 196.491 (3).

(c) The commission shall ensure in rate-making orders that any costs for infrastructure necessary to expand the production and distribution of energy produced using fossil fuels may be recovered only from customers that receive the primary benefit of that infrastructure.

(d) The commission shall ensure in rate-making orders that any costs incurred in transitioning from producing energy using fossil fuels to producing energy using renewable resources are not recovered from any customer.

SECTION 2. Initial applicability.

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SECTION 2

1 (1) The treatment of s. 196.025 (1h) (b), (c), and (d) first applies to applications
2 for certificates that are received on the effective date of this subsection.

3 (END)