President's Message

Don't the summers go by quickly? Here it is July already and I am having trouble finding enough time to get everything done. Does this sound familiar?

Sometimes, when we are the busiest, that's the time when we need to step back, take a deep breath, and recharge. We had an excellent chance to do just that with the WGA golf outing. But how did I justify a day of golf when I am so busy, you may ask?

For me, it was simple. I "invested" in a day of golf. A little money and a little time.

You read that correctly. A day of golf - or a seminar, or conference - is an investment. True, it doesn't feel like it's paying rewards as I shank a drive into the woods, but the rewards are there. It's not just socializing. It's networking. The connections that I made and renewed pay me back many times over. The dividends, in time and in money, make investing an easy decision. How could I not benefit from networking with the industry's best geothermal contractors, suppliers and manufacturers? And all the better that we did it at a golf course....

What else has your association been doing? I encourage you to take the time to read this newsletter and learn about many of the things that have been going on.

One that is near and dear to my heart is making sure that our voices are not silent when our legislators are looking at passing energy-related legislation. All across the country states have passed bills benefiting the geothermal industry. In Wisconsin, your board members have been raising awareness of geothermal with our legislators and planting seeds that will hopefully bear fruit in the future. But we can use your help....

Legislators often hold listening sessions in their districts. Attend one and offer your views. Offer to speak at everything from Lions Club meetings to the Jaycees, to the Rotary. Encourage other industry professionals to join the WGA. Truly, there is strength in numbers! Which is why we encourage you to renew your membership in WGA. Please help us continue to serve as the voice for the geothermal industry - spreading the word about the positive benefits of this technology.

We are here to serve you - the member. Your Board of Directors represents you well, but we don't have a lock on every good idea. Call us with your idea. Call us if you would like to be more involved.

Let's grow our industry. Together.

Mark Flock is President of the WGA and is President of Flock's Heating & Air Conditioning in Cashton, WI. He can be reached at 608/654-5522 or mark@flocksheating.com
Renewable energy is growing fast around the world and will edge out natural gas as the second biggest source of electricity, after coal, by 2016, according to a five-year outlook published by the International Energy Agency.

Eighty percent of the renewable power generated in the world is hydropower, a technology frowned upon by many because it requires the construction of dams that can damage river ecosystems. Sources such as wind, solar, geothermal and energy derived from plants also are to grow quickly, providing 8 percent of the world’s energy by 2018, up from 4 percent in 2011 and 2 percent in 2006.

In a report published in April, the IEA said the world’s energy is no cleaner than it was 20 years ago because of rising reliance on coal-fired generation in China, India, and parts of Europe that are phasing out nuclear power and facing high natural gas prices. “The rapid growth of renewables continues to beat expectations and is a bright spot in an otherwise bleak assessment of global progress toward a cleaner and more diversified energy mix,” the report concludes.

Renewable sources were used to generate 12 percent of the electricity consumed in the U.S. last year, according to the Energy Department. Hydroelectric plants supplied 7 percent of the country’s power, and other renewables such as wind and solar supplied 5 percent. The President, meanwhile, has proposed that the nation do more....

The President is proposing the first-ever federal regulations on carbon dioxide emitted by existing power plants. The administration has previously proposed regulations for newly-constructed power plants. In addition, the President is proposing that the amount of renewable energy created on Federal lands be doubled in the coming years.

What's missing in much of the discussion about renewable energy is a unified definition of "renewable energy" that includes geothermal energy. Where geothermal is referenced, as in Wisconsin law, it is usually preceded or followed by some reference to energy production. Missing from the statutes here, in many states, and at the federal level is a recognition that while geothermal heat pumps do not produce energy, they are more than 100 percent efficient in their use of energy because they have a renewable component to them - the heating and cooling stored within the Earth.

Progress has been made in several states and the Wisconsin Geothermal Association is in the early stages of working with our State legislature to review whether our energy legislation, regulations, and policies need to be updated include a broader use of "geothermal" to include energy produced and energy saved.
Illinois, Colorado, Massachusetts, Maine, Maryland and Pennsylvania are among the states that have proposed or have passed laws that allow for geothermal energy savings to be applied toward renewable performance standards under their state programs.

More than half (16 of 29) of the states with renewable portfolio standards are reevaluating those standards in light of significant drops in natural gas prices. There is proposed legislation in Wisconsin, but it is not expected to move this session because, in almost all instances, the standards are being met by the utilities and investments in renewable technologies have already been made. Compliance, therefore, requires little additional investment.

Still, increased opposition to the location of wind turbines leaves the door open for more of the renewable performance standards to be met by energy savings created through geothermal systems installed in Wisconsin rather than through the purchase of energy produced by renewable sources in other states.

WGA registered recently to lobby our state legislators on the need to update the state statutes to include geothermal in the renewable mix - whether through production or through energy savings. Stay tuned....

**Installation Standards Under Development**

Although the review/comment period has ended, you can still review draft personnel qualifications being developed as part of a National Certification Standard for the ground source heat pump industry with funding from the U.S. Department of Energy.

Go to the Project website at [www.GHPNCS.org](http://www.GHPNCS.org) to download the draft document, which is formatted for easy reference to the various tasks associated with the design and installation of ground source heat pump systems.

**Work Group - Heat Exchange Drill Holes**

And speaking of installation standards, the Wisconsin DNR convened its first meeting of the group working on rules for qualification/licensure for constructing geothermal boreholes and continuing education requirements for license holders.

The license/certification will likely follow many of the provisions of the water well licensure, but it is not necessary for someone to be licensed as a well driller to drill geothermal boreholes. The group will discuss the combination of skills related to geology, drilling, grouting, and code in order to establish the various paths to licensure.

The first meeting of the group was designed to provide a scope statement to the Natural Resources Board. The Board heard a presentation on the proposed rule at its June 26 meeting and unanimously approved DNR’s continued work on the proposed rules. WGA was represented by Past President Bruce Walker and Executive Director Jeff Beiriger.
Many thanks to everyone who attended our first annual golf outing! We had a great time at Coachman's Golf Resort in Edgerton. Scores ranged from ten under to twenty over, proving this event is an event for players of all skill levels.

We randomly selected a foursome for a prize of a dozen top-of-the-line golf balls for each player. Prizes were also awarded for Longest Putts (Jamie Johnson, Brad Hallmark), Longest Drives (Rick McCutchin, Jim Shuda), and Closest To The Pin (Jody Williams).

Thanks to a generous group of sponsors and donors, everyone went home with a door prize - a perfect ending to a great day on the course!
The Wisconsin Geothermal Association is pleased to announce the date and location of its 2014 Annual Conference:

**Wednesday, February 19 - Thursday, February 20**
**The Osthoff Resort**
**Elkhart Lake, Wisconsin**

Sponsorship/Exhibitor information coming soon!

Interested in speaking?
Know someone who would be a good speaker?
   Let us know!
Use the form below.
WISCONSIN GEOTHERMAL ASSOCIATION
Speaker Application and Information
2014 Annual Conference
February 19-20
The Osthoff Resort
Elkhart Lake, Wisconsin

Please complete the following information:
Name: ________________________________________________
Company: _____________________________________________
Title: ________________________________________________
Phone: _______________________________________________
E-Mail: ______________________________________________

WGA Member? _____ Yes _____ No

Qualifications:
________________________________________________________________________________________
________________________________________________________________________________________
________________________________________________________________________________________

Presentation Title:
_______________________________________________________________________________________

Abstract of Presentation:
_______________________________________________________________________________________
_______________________________________________________________________________________
_______________________________________________________________________________________

AV Requirements:
_______________________________________________________________________________________

Preferred Date: _____ February 19 (p.m.) _____ February 20 (a.m./p.m.)

Mail or email this form to:
Wisconsin Geothermal Association
P.O. Box 833
Germantown, WI 53022-0833
Email: jeff@assocmgmtservices.com

APPLICATIONS MUST BE RECEIVED NO LATER THAN SEPTEMBER 27, 2013.
(If selected, we will request a photo and additional information in October.)
Hold The Date - 2014 B4 Conference

The Energy Center of Wisconsin has announced the date and location of its 2014 Better Buildings: Better Business Conference:

March 5-7, 2014
Kalahari Resort
Wisconsin Dells

More information on sponsorship and exhibiting will be available soon. If you would like to be a speaker at the conference, you can submit a proposal by clicking HERE. Sessions will be announced and registration will open in late October.

In The News

Nearly-Zero Energy Materials Markets to Hit $16.5 Billion - Driven by rising global awareness of the impact of building energy consumption on climate change, materials boosting building energy efficiency will reach $16.5 billion in sales in 2017, says Lux Research. Floor space for net-zero energy buildings and especially nearly-zero energy buildings, will soar more than six-fold to 80 million m2 in 2017, according to a new report, Getting to Nearly-Zero Energy Buildings: Ambitious Targets, Modest Progress.


The firms say that energy savings would generate $34 billion per year for American businesses, net of investment expenses. Households would save an additional $23 billion per year. And federal, state and local governments in budget-constrained times would save more than $8 billion annually, the equivalent to funding the National Science Foundation or nearly all of the annual budget for the U.S. Environmental Protection Agency.

ASHRAE Building Energy Labeling Program Expanded

The American Society of Heating, Refrigeration and Air-Conditioning Engineers (ASHRAE) has expanded its building energy labeling program and now has two labels, an "As Designed" label that rates the building’s potential energy use under standardized conditions - independent of the building’s occupancy and usage- and an "In Operation" label that rates the building’s actual measured energy use as influenced by the building’s occupancy and usage.
**Geo Product Finder Tool** - The U.S. Environmental Protection Agency (EPA) has announced a new product finder tool for Geothermal Heat Pumps. It provides consumers, partners, and others with a user-friendly search tool. The tool displays the same product attributes that appear on the current qualified product lists and will allow manufacturers to display additional identifying information for models such as SKUs, UPC codes, and retail model numbers. Such identifiers can make it easier for purchasers and consumers to find ENERGY STAR certified products.

Utilities, retailers, and other more advanced users can access the detailed datasets (qualified product lists) directly at [www.data.energystar.gov](http://www.data.energystar.gov), sign up for a user account, and take advantage of filter and advanced export options best suited to their needs. For updates on product finder tools, including additional key features and a full list of previously released product finder tools, please visit [www.energystar.gov/productfinder](http://www.energystar.gov/productfinder).

**GEO Seeks Extension of Federal Tax Credits for Geothermal Heat Pumps**

The Geothermal Exchange Organization (GEO) has formally asked the U.S. House of Representatives Ways and Means Committee to recommend extending federal tax credits for residential and commercial geothermal heat pump (GHP) installations through 2020. The credits will otherwise expire on December 31, 2016.

In comments to the committee, GEO President and CEO Doug Dougherty stated:

"Buildings are the largest single sector of total U.S. energy consumption. GHPs can efficiently and significantly reduce the heating and cooling loads of buildings, with positive benefits for our environment and economy."

"Even with all its potential benefits to the country, the nascent GHP industry claims less than 2% of the HVAC marketplace in the United States. Though approximately two million GHP systems have been installed—and Energy Star-endorsed GHP equipment efficiencies are better than ever—many competitive barriers remain for the industry. As already noted, foremost among these barriers is higher ‘first cost.’"

"With improving sales and installations will come greater recognition of GHPs, and an expanding HVAC market share. With that, the positive impact of the federal tax credit program will be assured. Indeed, the GHP tax credits are already helping the nation with consumer cost savings, good jobs, more efficient energy use, enhanced electric utility operations, improved air quality and a better environment for all Americans."

"Even so, it will take time for the geothermal heat pump industry to increase its market share from 2% to 20% or higher for the industry to move beyond its need for tax credit support. In the interim, Congress can help the GHP industry achieve greater market share by extending IRS Code sections 25D and 48(a) to the end of 2020," Dougherty concluded. For a complete copy of the GEO’s Geothermal Heat Pump Tax Credit Comments, click here.
Geo Ride A Great Success!

Here's a report from the June 7 ride:

"We had a great day for a ride. It looked like rain in the morning, but the skies cleared off and no rain fell. There were 13 bikes, 2 cars with a total of 21 people, several from as far away as the Twin Cities and one from Fond du Lac. The group enjoyed the views at Grandad's Bluff, the excellent food, drink and hospitality of The Great River Road House, and we toured a unique home near Ferryville that has a geothermal system installed by a WGA member contractor. After the tour, the group went their separate ways, with some taking the river road back home and some stopping in Viroqua for Ice Cream at Dave's Pizza Parlor. All in all a great day!"

Join Us Next Year!
June 6, 2014
Legislative Update

The White House delayed for one year a requirement that businesses provide health insurance to employees. The requirement was part of the Affordable Care Act and was scheduled to go into effect January 1, 2014. The provision, commonly known as the "employer mandate," calls for businesses with 50 or more workers to provide insurance to workers or pay a $2,000.00 fine per employee. Barring further delays, the provision will now take effect beginning January 2015.

The state budget was signed into law on June 30 and includes several provisions affecting contractors....

The most controversial and costly provision is one that will increase the tax rate for unemployment insurance. The construction industry has withdrawn $552 million more than it paid in during the period from 2008 to 2011. Rather than continue subsidies for the industry, the budget includes a rate increase that could equal as much as $300 per employee in construction-related businesses. The rate increase is far less than was necessary to fully close the revenue/expense gap explained legislators and was the minimum necessary to work down a debt to the federal government that resulted in assessments this year and next. It is hoped that an assessment can be avoided in 2015.

The Building Contractor Registration (BCR) program has been eliminated. Enacted four years ago, the BCR program required contractors to register with the Department of Safety & Professional Services every four years and pay a registration fee of $115.00.

While lower than in previous years, the State will continue to invest in buildings and repairs around the state. Deeper cuts to the state building program were recommended by the Committee on Joint Finance, but the Governor vetoed the additional $250 million in cuts.

HVAC contractors bidding on state projects will now bid to a prime contractor rather than bid directly to the state. While seemingly negative, significant protections have been written into the bidding process to preserve, to the greatest extent possible, the benefits of bidding directly to the state. Among the protections is a process that will prevent bid shopping, as mechanical, electrical, plumbing, and fire protection subs will have their bids opened by the state and will be assigned, as the lowest responsible bidder, to the prime contractor on the job.

A provision to allow contractors to make tax exempt purchases of materials on behalf of tax exempt and government entities was not included in the budget. Because it has a negative fiscal note (lost tax revenue), it will not likely be enacted into law during this session.

The state will look into the possible merger of the Department of Safety & Professional Services and the Department of Agriculture, Trade and Consumer Protection. If that happens, the code, licensing, and inspection/enforcement aspects of the construction industry will be part of the new agency.

Earlier this year, the effective date of the electrician licensing requirements was delayed by a year. In that year, several new exemptions to the law are being discussed and reviewed. The exemption related to the installation of systems whose purpose unrelated to energy production appears safe. Put another way, the exemption that would allow geothermal and other contractors to install their products back to the first disconnect will remain in effect.
More Questions....

A member called and asked about the WGA Code of Ethics. We thought it would be good to reprint the Code of Ethics, as a reminder about business practices and the advancement of the industry....

WISCONSIN GEOTHERMAL ASSOCIATION
Code of Ethics

- I will be just and fair to all customers.
- I will be forthright in my communications and will clearly state all contract terms and warranties in writing.
- I will strive to fulfill all promises for delivery, installations, warranties and servicing.
- I will conduct myself in a professional manner at all times, avoiding any unjust criticism of the association or its members.
- I will strive to improve my operations and be willing to consider new technologies and methods to provide the greatest possible benefit to the customer.
- I will place benefit to the customer before profit, having the integrity to decline a job, which will do an injustice to the customer, my profession or myself.
- I will make every effort to promptly adjust any cause of dissatisfaction.
- I understand my peers may require binding arbitration of any consumer complaint to maintain my membership in the Association.

Cable TV Advertising

The association was contacted by a cable TV provider about the possibility of advertising on the DIY (Do-It-Yourself) network. While we wouldn't encourage DIY geothermal systems, the viewers of DIY tend to be higher-income individuals who are interested in home improvements, including leading edge systems and energy/water conservation.

We have been offered the chance to purchase a "block" of advertising that can be utilized to promote geothermal and to promote dealers in areas around the state. WGA would produce the ad(s), but members would be responsible for the cost of the ads themselves, generally less than $20 per spot.

Would you be interested in taking advantage of this opportunity? If so, please contact the WGA office at 888/782-6815.
Many Thanks to Our Annual Sponsors!

Quotable

"Most of the important things in the world have been accomplished by people who have kept on trying when there seemed to be no hope at all."

Dale Carnegie

"Happiness does not come from doing easy work but from the afterglow of satisfaction that comes after the achievement of a difficult task that demanded our best."

Theodore Isaac Rubin

"Character is like a tree and reputation like a shadow. The shadow is what we think of it; the tree is the real thing."

Abraham Lincoln
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