
Washington Climate Change Challenge

Climate Advisory Team

Summary of Second Meeting

Tuesday, June 5, 9:00 a.m. – 4:30 p.m.
Red Lion Hotel at the Park, Spokane, WA

Meeting documents are available on the Washington Climate Change website:
www.ecy.wa.gov/climatechange/cat_documents.htm

Overview of the Washington Climate Change Challenge

Governor Chris Gregoire declared Washington's commitment to address climate change on February 7, 2007, by signing Executive Order No. 07-02. The Executive Order establishes goals for reducing greenhouse gas emissions (GHGs), increasing clean energy jobs, and reducing expenditures on imported fuel. It also specifies objectives for preparing for climate change impacts, coordinating regionally and nationally, and advancing public outreach and awareness. The Executive Order directs the Washington Department of Ecology (Ecology) and Department of Community, Trade and Economic Development (CTED) to lead the Washington Climate Change Challenge, a process that will engage business, community and environmental leaders in considering the full range of policies and strategies that may be adopted to achieve the goals established by Governor Gregoire.

Ecology and CTED have formed the Washington Climate Advisory Team (CAT) to assist with the development of specific action-oriented recommendations for climate change mitigation and GHG reduction policies for Washington. This broad-based group of Washington leaders is charged with developing a comprehensive set of state-level policy recommendations to deliver to Ecology and CTED by January 2008.

The Makeup of the Climate Advisory Team

The Climate Advisory Team includes: co-chairs Jay Manning (Ecology) and Juli Wilkerson (CTED); and members Rod Brown (Washington Environmental Council), Reverend Alexander J. Brunett (Archbishop of Seattle), Vicky Carwein (WSU Tri Cities), Representative Doug Ericksen (Washington State Legislature, ex-officio), KC Golden (Climate Solutions), Dennis Hession (City of Spokane), Sara Kendall (Weyerhaeuser), Bill Kidd (BP), Mike Kreidler (Office of the Insurance Commissioner), Jim Lopez (King County), Dennis McLerran (Puget Sound Clean Air Agency), Representative Kelly Linville (Washington State Legislature, ex-officio), Bill Messenger (Washington State Labor Council), Debora Moore (Agriculture/Eastern Washington), Steve Nicholas (City of Seattle), Larry Paulson (Port of Vancouver), Senator Larry Pridemore (Washington State Legislature, ex-officio), Michael Rawding (Microsoft), Aaron Reardon (Snohomish County), Steve Reynolds (Puget Sound Energy), Rich Riazzi (Chelan County PUD), Mike Rousseau (Alcoa), Doug Sutherland (Department of Natural Resources), Kirk Thomson (Boeing), Terry Uhling (Simplot), Terry Williams (Tulalip Tribe).

Each caucus of the House and the Senate has been invited to name liaisons to the CAT. As of June 5, 2007, Representative Kelli Linville and Senator Craig Pridemore have been appointed to represent the

Democratic Caucus, and Representative Doug Ericksen has been appointed to represent the Republican Caucus.

Project management for the CAT is being provided by Janice Adair (Ecology) and Tony Usibelli (CTED).

Meeting Objectives and Attendance

The Climate Advisory Team (CAT) held its second meeting on June 5, 2007, at the Red Lion Hotel at the Park in Spokane, WA. The meeting was open to the public.

All members were present at the second meeting except Rev. Alexander J. Brunett (Sister Sharon Park, alternate), Mike Kreidler (Chris Carlson, alternate), Rep. Kelly Linville (Rep. Marilyn Chase, alternate), Steve Nicholas (Jill Simmons, alternate), Steve Reynolds (Kimberly Harris, alternate), Doug Sutherland (Craig Partridge, alternate), and Terry Uhling. Members of the public and interested stakeholders in attendance included private citizens and representatives from the Technical Working Groups, Preparation and Adaptation Working Groups, Air Force, Alcoa, Alliances NW, Amalgamated Transit Union #1015, Audubon WA, Avista Corporation, Chelan County Public Utilities District, Cliff Cannon WBHD Council, Cogeneration Coalition of Washington, Eco Wise Association, Environment WA, EPA Region 10, Kaiser Aluminum, The Lands Council, League of Women Voters, LWV & Lots, Municipal League/Cascadia, National Association of Retired Federal Employees, PacificAD, Spokane Regional Labor Council, Smedes & Associates, the Washington Environmental Council, the Western States Petroleum Association, Washington State University Energy Program, Spokane City Council, Department of Ecology, Department of Natural Resources, Washington House of Representatives, and the Governor's Office.

There were six objectives for the meeting:

1. Establish a common understanding and shared expectations for coordinating the activities of the CAT with regional climate activities, specifically the Western Regional Climate Action Initiative;
2. Review outcomes related to climate change from Washington's 2007 Legislative Session and discuss potential impacts on the CAT process;
3. Review the organization and launch of preparation and adaptation working groups, and the connection of this effort to the CAT;
4. Further consider the draft emissions inventory and forecast to ensure a common understanding of Washington's climate impacts profile, and the goals and catalog of actions in light of the inventory and forecast;
5. Discuss Technical Working Group (TWG) progress, review and revise the catalog of potential GHG mitigation actions, and approve the complete catalog of actions; and
6. Provide members with the specific details in moving forward with the process.

Welcome and Introductions

CAT member and Spokane Mayor Dennis Hession welcomed the CAT to Spokane. The Co-Chairs thanked the Mayor for hosting the meeting and CAT members for the work they have put into the process thus far.

New CAT members Representative Doug Ericksen, Jim Lopez, Steve Nicholas, Senator Larry Pridemore, and Kirk Thomson were introduced.

The Climate Advisory Team and Regional Climate Activities

The Western Regional Climate Action Initiative

Janice Adair (Ecology) briefed members on the Western Regional Climate Action Initiative (WCI). The WCI was established in February 2007 by the governors of Washington, Oregon, Arizona, California and New Mexico, and has formally expanded to include Utah and British Columbia. Manitoba has recently asked to join, and Kansas and Wyoming have requested observer status.

WCI partners agree to:

- Develop regional GHG reduction goals;
- Design a multi-sector market-based mechanism to achieve the regional goals; and
- Participate in a multi-state registry to enable tracking, management, and crediting for entities that reduce their GHG emissions.

WCI partners will discuss the approach for setting a regional goal at the next WCI meeting June 14-15 in Portland. Regional goals that are consistent with the goals set by each of the states goals will be developed by August 2007, and will function to measure individual state progress. The agreement does not include enforcement of regional goals across jurisdictional boundaries. Design of a multi-sector market-based mechanism will begin in October, 2007, and by August 2008, WCI design work will be complete.

The Climate Registry

Washington is meeting its commitment under WCI to participate in a multi-state registry as a charter member of The Climate Registry. The Department of Ecology was invited to participate and to nominate a member to serve on the Board of Directors. Janice Adair (Ecology) is the Board member. The Climate Registry is a collaborative effort to develop and manage a common GHG emissions reporting system that enables tracking, management, and crediting for reductions. Thirty-one states, two provinces and three tribes have joined The Climate Registry, which had its first meeting May 23, 2007. Members of The Climate Registry agree to:

- Establish and endorse voluntary entity-wide GHG emissions reporting and verification;
- Identify a set of GHG emissions minimum data quantification standards to be recognized by members in both voluntary and mandatory reporting and emissions reduction programs; and
- Incorporate those minimum data quantification standards into any mandated GHG reporting and emissions reduction program.

The Climate Registry has formed three committees. Washington is part of the Finance and Development Committee and the Stakeholder Committee, and will serve on one or more subcommittees of the Protocol Committee once they are formed. The Climate Registry is scheduled to begin accepting data in January 2008.

Coordination of the Climate Advisory Team and WCI

The CAT was briefed on an approach to harmonize its work with ongoing regional activities taking place through the WCI. Because market mechanisms are not easily examined in any one TWG or strategy, it was proposed that the CAT would self-select into an ad hoc committee of the whole to consider issues around market-based mechanisms broadly, and to provide input on key issues from a Washington perspective. Over the summer and into early fall, the ad hoc committee would participate in tutorials where invited experts will provide web-based presentations, followed by interaction among CAT members in order to establish a common understanding of key issues related to market-based mechanisms. These tutorials will prepare the group to provide input as design of a multi-sector market-based mechanism gets underway with

the WCI. As the CAT concludes its work in 2007, it may choose to include recommendations about key issues from a Washington perspective to be considered in the design of a multi-sector market-based mechanism.

One member voiced concern on behalf of the business community with regards to the timing and pace of WCI, and the potential for California to dominate the process. Janice Adair commented that California has been sensitive to these concerns, being conscientious of the imperative of their own legal mandates and bringing issues to the attention of WCI partners as they arise.

The CAT endorsed the proposed approach to coordinate between these efforts and the opportunity for the CAT to provide strategic support to the state as it positions itself regionally. Most CAT members volunteered to participate on the ad hoc group. TWG members and the public will be invited to observe the educational tutorials. Additional information on the tutorials will be distributed as soon as it is available.

Climate Change in Washington's 2007 Legislative Session

Senate Bill 6001

Senate Bill 6001, *Mitigating the Impacts of Climate Change*, put the Washington State climate goals from Executive Order 02-07 into statute. The bill includes a GHG performance standard for electric utilities and allows for sequestration of emissions to meet standards. Under the bill, Ecology is required to write rules for the electric utilities standard and for sequestration by June 2008, and the Energy Facility Site Evaluation Council is required to evaluate the sequestration plans for facilities under its jurisdiction. This rule-making will occur outside of the CAT through the usual State rule-making process.

House Bill 1303

House Bill 1303, the *Cleaner Energy Act*, is a wide-ranging environmental and energy bill that includes provisions for diesel bus retrofits, creation of a biofuels industry, support for the CAT process, and funding for energy and climate research, including funding to the University of Washington Climate Impacts Group to work with Ecology and CTED on adaptation.

CTED, Ecology, and other agencies are still determining the implementation details of both SB6001 and HB1303. Briefing papers summarizing specific provisions of the bills that relate to the CAT and TWGs were distributed at the meeting and are posted to the Washington Climate Change website, and the complete text of both bills is available on the website for the Washington Legislature.

Preparation/Adaptation Working Groups

Executive Order 02-07 directs Ecology and CTED to work with other agencies and stakeholder to propose preparation and adaptation strategies for Washington. Janice Adair provided CAT members with an overview of the organization and launch of five working groups that will develop strategies with support from the University of Washington's Climate Impacts Group. Deliberations by the workgroups will also serve to inform the Climate Impacts Group's research agenda. Any recommendations completed by December 2007 will be included with the CAT recommendations in the report that Ecology and CTED generates for the Governor. The workgroups will then have one additional year for continued work.

The five Preparation and Adaptation Working Groups (PAWGs) are Forest Resources, Agriculture, Human Health, Water Resources and Quality (Freshwater) and Coastal/Infrastructure. With the exception of the Water Resources and Quality PAWG, invitations have been sent to all potential PAWG members. While this process is independent of the CAT process, CAT members are welcome to participate in the PAWGs and the CAT will be briefed on PAWG progress at future meetings.

Washington Emissions Inventory and Forecast and Goals Methodology

Washington Draft Emissions Inventory and Forecast

Michael Lazarus of the Center for Climate Strategies (CCS) provided a brief review of the draft emissions inventory and forecast. The inventory and forecast will be the foundation for evaluating progress towards the Executive Order goals. The immediate emissions reduction goal of the CAT is to reduce total GHG emissions in Washington State back to 1990 emissions levels; the gap between current emissions and 1990 levels is 10 million metric tons carbon dioxide equivalent, and that gap is expected to grow in the absence of strategies to prevent this growth.

To understand the baseline and emissions growth trajectory, CTED, Ecology and CCS are continuing to refine an inventory of historical emissions from 1990 to the most recent data year, which varies between 2000–2005, depending on sector, and projections through 2020. The TWGs and state agencies are continuing to provide input and revisions. One issue being addressed is the assessment of emissions from electricity generation; CTED is currently generating load (consumption)-based estimates for 1990. The Forestry TWG is clarifying the forestry inventory estimates, and the Transportation TWG is incorporating maritime emissions estimates recently developed for central Puget Sound.

Relative to the national average emissions, a high percentage of emissions in Washington State comes from the transportation sector. The reason often cited for this is that much of Washington electricity is generated from low-carbon hydroelectric systems. Sixteen percent of emissions comes from the electricity-sector when estimated on a production-basis; when a load (consumption)-basis estimate is used, which incorporates higher-emitting sources imported from other states, the percentage of emissions from the electricity sector increases beyond twenty percent. Low-carbon electricity is not the only reason transportation has a larger share of the emissions pie: Washington does not have the high level of manufacturing found in the Midwest, where RCI fuel use is higher, or the strong heating and cooling demands found in other regions. In Washington, fuel use from RCI accounts for approximately one-fifth of total emissions.

While the inventory and forecast does inform progress towards emissions reductions, reduction strategies are not based on a sector's percentage of emissions contributions, since strategies differ in their reduction potential. Jobs and economic opportunities may also exist in a particular sector of the Washington State economy that is not proportional to the sector-specific emissions profile.

The GHG emissions projections do not yet include all existing actions to reduce emissions referred to in the Executive Order. These will be assessed and incorporated by each TWG. Members noted that growth projections for the Port of Seattle indicate a potential doubling of containers in the next fifteen years, suggesting that the transportation projections will be even higher from trade-related growth. The impacts of anticipated climate changes on projections (e.g. reduced loss of river flow from diminished snow pack) have not been incorporated into these projections either.

The inventory and projections will continually be refined, but for purposes of the CAT process, a revised and updated draft will be posted in late July for final review and approval at the third CAT meeting.

Washington State Goals

There are three GHG emissions goals for Washington State: return to 1990 emissions levels by 2020, establish a pathway that achieves a 25% reduction below 1990 levels by 2035, and reduce emissions 50% below 1990 levels by 2050. Technical accounting methodologies for these emissions reductions include several considerations:

- The emissions goals were calculated on a gross emissions basis, an approach that does not include the net gain/loss of forestry stocks. Moving forward, both gross and net emissions will be tracked.
- The benefits of sequestration activities are considered fundamental to the process, and will be considered regardless of whether the ultimate quantification is a gross or a net calculation.
- Emissions from electricity have previously been assessed on a load (consumption)-basis; going forward, both consumption and production-based electricity emissions will be tracked.
- Emissions reductions will be quantified through 2020 because these estimates are more precise. However, longer-term options that might not generate reductions until after 2020 will be considered. Contribution to longer-term emissions reductions goals is one of the explicit decision criteria used by the TWGs.

The Executive Order also established a jobs goal (25,000 clean energy sector jobs by 2020, compared with 8,400 jobs in 2004) and a goal for reducing expenditures on imported fuels (20 percent reduction by 2020). The TWGs will assess contributions to these goals when selecting options. Assessing additionality of jobs in the clean energy sector, broadly defined as low-GHG economy jobs, and associated impacts on industry and commercial activities, will require a net analysis of job gain/loss associated with policy choices. Additional costs and benefits of each policy will be considered as needed. CAT members are encouraged to provide tools that would help ensure a robust analysis of the jobs and reduced fuel expenditures goals as well as additional benefits (e.g. carbon sequestration). CTED will investigate whether a recently updated input/output OFM model could be employed for this evaluation.

CAT members discussed that while each strategy may have a specific impact on jobs, the economy does not operate solely from a set of “individual” signals. The CAT is uniquely positioned to look across strategies to ensure that opportunities to create an attractive economy for clean energy are identified and seized. Rather than individually determine each and every strategy that generates an opportunity from the bottom up, the CAT can begin to develop a framework that moves the economy forward as a whole and sets in motion associated activities in the business community for clean energy jobs and investments. The CAT can send signals that help create a low-carbon economy by recommending strategies that reduce carbon, spur innovation, and create, attract and retain investment.

Per a member recommendation that the CAT consider innovations occurring in the financial services and investment sector, the CAT will reach out to this community in July and August, and explore avenues to leverage opportunities.

Briefings on the Technical Working Groups

Overview of the 10-step Workplan

The CAT is on the third step of the ten-step process, Identifying Initial Priorities for Evaluation. Once the CAT has approved the catalog of options, the TWGs will identify initial priorities for further analysis using seven decision criteria:

- Estimated GHG Reduction Potential (MMTCO_{2e}) by 2020
- Cost or Cost Saved Per Ton GHG Removed
- Contribution to Longer-Term Goals (2035/2050)
- Reduced Expenditures on Imported Fuels
- Job Creation
- Externalities
- Feasibility Issues

Once initial priorities are identified, quantitative rigor will be applied to assist in the determination of initial priorities that are important to pursue. By the fourth CAT meeting in October, the suite of priority options will be aggregated to determine the total tons of carbon reductions as well as the cumulative results for job creation and fuel import expense reductions. The CAT will iterate to consensus on the options at the CAT meetings in October and December, and finalize recommendations.

The initial analysis is focused on tons reductions and direct costs of individual options. When the options are collated, overlaps will be identified, and direct and societal costs/benefits counted. Members commented on the need to include indirect costs and collateral benefits associated with the strategies in the cumulative costs analysis. Because there are limited resources to accomplish an exhaustive analysis for all costs and benefits, CAT and TWG members are encouraged to provide associated studies that can allow as many ancillary costs and benefits to be incorporated into the analysis as possible. One member asked the CAT to remember that while it will not be quantified in a cost-benefit analysis, inaction to reduce emissions as soon as possible also carries costs.

Highlights from the Initial TWG Meetings

The TWG facilitators commented that there has been an impressive level of participation, creativity and input from the TWG members. In their first two meetings, TWG members have revised, commented upon, and expanded the initial catalog of actions. TWG members reviewed each individual item to ensure clarity and completeness. The initial catalog contained a total of over 300 existing, planned and proposed actions from across the United States. The updated catalogs reflect TWG member additions, clarifications, Washington-specific actions, and a rough range of potential emissions savings and cost emissions savings on an order-of-magnitude basis of high, medium, low or unknown. CCS provided these nominal rankings on the basis of experience in other states and by taking into account information from TWG members about local issues.

The catalog is never a static document, and will continue to evolve throughout the course of the process. During the remainder of the meeting, the CAT was given an overview of TWG progress to-date, and asked to provide amendments and comments, and approve each TWG's catalog.

Agriculture Technical Working Group Briefing

Katie Bickel of CCS, facilitator for the Agriculture TWG, provided an overview of the first two Agriculture TWG meetings and the catalog of options, which includes waste options and contains eight categories of potential climate mitigation actions:

- Production of fuels and electricity
- Livestock

- Agriculture crop production and urban/suburban landscapes
- Land use management
- Farming practices
- (Municipal) Waste management strategies
- Landfill gas strategies
- Wastewater activities

CAT members involved with the Agriculture TWG noted that the TWG has good representation from the agricultural industry, along with a significant amount of landfill and waste management technical expertise.

CAT members provided comments, and suggested additions and revisions to the catalog, including:

- Encourage wastewater recycling to create additional stream and wetland habitat.
- Place greater emphasis on the development of Washington biofuel feedstocks: Members noted that agriculture, as the second largest industrial sector and second largest exporter in Washington, is positioned to be able to lead in renewable energy production. Members suggested that biofuels policy options be analyzed separately, and segregated along energy balance and crop type (e.g. cellulosic vs. corn-based ethanol). The suggestion was also made to assess whether the \$14 million provided to in-state producers through the Energy Freedom Fund could be expanded, or a new industry created grounded in agriculture. The title of Section 1.2, In-State Production of Biofuels, will be adjusted to include in-state feedstock production.
- Examine opportunities to encourage the government to shift agricultural subsidies away from crop support into conservation and alternative energy sources.
- Assess the ethical implications of policy actions on other parts of the world, in particular Washington's trading partners, if in-state food consumption is emphasized.
- Consider efficacy and sustainability of these issues, and challenge the assumption that because Washington has done things one way, that is the only way.
- Clarify when costs per ton are examined on a net versus direct basis.
- Include carbon sequestered in marine organisms.
- Leverage federal farm bill benefits for GHG benefits.
- Be sensitive towards the long-distance shipping and freight efficiency of agriculture exports as a critical component of Washington's economy.

The CAT approved the Agriculture TWG catalog of options with clarifications and amendments noted.

Forestry Technical Working Group Briefing

Katie Bickel of CCS, also the facilitator for the Forestry TWG, presented an overview of progress by the Forestry TWG. The twelve forestry-sector options are divided into three categories of potential climate mitigation actions in the Forestry TWG catalog:

- Production of fuels and electricity
- Biomass protection and management
- Wood products and waste

CAT members who are part of the Forestry TWG commented that the TWG is representative of the forestry sector and working well together. The group has recognized opportunities to improve sequestration as well as avoid losses through land-use changes and catastrophic wildfires, and is looking for opportunities to improve an already efficient production system.

CAT members provided comments, and suggested additions and revisions to the catalog, including:

- Promote research to increase forest value by examining forest health.
- Examine water storage in forests to increase the value of sequestration, and co-benefits and carbon-benefits from habitat projects and salmon recovery.
- Increase the societal costs rankings in options 2.1 and 2.4; in general, prescriptive forest management approaches will have higher societal costs.
- Given their similarity, consider combining options 3.2 and 1.1.
- Use of wood products has multiple advantages, including less energy to produce wood building materials, and the benefits of sequestration.

The CAT approved the Forestry TWG catalog of options with clarifications and amendments noted.

Residential, Commercial and Industrial Technical Working Group Briefing

Michael Lazarus of CCS, facilitator for the RCI TWG, provided an overview of the seven categories of potential climate mitigation actions in the RCI catalog. RCI covers energy use in homes and businesses as well as process emissions, including the release of high-GHG potential gasses (e.g. hydrofluorocarbons):

- Energy efficiency programs, funds, and goals
- Buildings
- Appliance standards
- Education and outreach
- Pricing and purchasing
- Customer-sited distributed energy, and combined heat and power
- GHG emissions-specific goals and policies (including process emissions)

CAT members involved with the RCI TWG expressed excitement over the list of items, and in particular the opportunity to pursue options with near-term immediate benefit and the potential for innovation to address long-term impacts. Members also commended the amount of effort to engage the business community, and to focus on how people can change their behaviors.

CAT members provided comments, and suggested additions and revisions to the catalog, including:

- Consider the disproportionate impacts of costly changes on the poor, and provide incentives and assistance as necessary to assist people with lower incomes.
- Policy design focused on developing programs that incentivize sectors to pursue efficiency investments when the economics do not favor such investments is challenging; in addition, it is difficult to achieve rate design in a hydro-dominated system, because the off-peak differential is small.
- Consider that recommendations for options mandated at the local level may require specific authorizing legislation since authority for municipal governments is granted by the legislature.
- Examine existing regulatory systems and the potential to revise requirements that result in greater energy use and GHG impacts than necessary or other unintended consequences.
- Consider the potential for decreased efficiency with the switch to digital broadcasting in 2009 and increased consumption of larger-screen TVs.
- Be aware of other toxics that exist in more efficient products (e.g. mercury in compact fluorescent light bulbs).

- Consider long-term investments in grants targeting residential lighting, an approach that has been pursued in San Francisco and Austin, and broaden option 1.6 to encourage efforts beyond heating, cooling and water systems.

The CAT discussed that there will likely be a need for broad and varied approaches to accomplish the goals, including both incentives and prescribed approaches. Some members expressed a general preference for incentives to change behavior and drive activity at all levels, and noted that there may be additional impacts from prescriptive approaches that need to be assessed. Others suggested that whether the approach is incentive-based or prescriptive, there will be some uncertainty in the amount of tons reduced, but that uncertainty is greater in incentive-based programs and the CAT will need a reasonable level of assurance that the assortment of options recommended produces reliable tons.

The CAT approved the RCI TWG catalog of options with clarifications and amendments noted.

Energy Supply Technical Working Group Briefing

Michael Lazarus of CCS, facilitator for the Energy Supply TWG, provided an overview of progress and the Energy Supply catalog, for which there are six categories of potential climate mitigation actions:

- Emissions policies and overarching items
- Renewable energy and energy efficiency
- Fossil fuel and nuclear electricity
- Fuel production, processing, and delivery
- Carbon capture and storage
- Other energy supply options (transmission, distribution, “smart grid”, emissions disclosure, etc.)

CAT members provided comments, and suggested additions and revisions to the catalog, including:

- Broaden option 6.2, which discusses improving efficiency, to include improved transmission capacity.
- Add pricing as one of the most substantial barriers to transmission.
- Specify on the ballot actions that have already been adopted, and note that votes for these items should be for actions above and beyond that which has already been taken.

The CAT discussed that market-based mechanisms specific to a particular TWG strategy should be voted on like all other TWG-specific options. Since generic market-based mechanism options (e.g. cap & trade) will be considered by the CAT, those options should be blocked out on the TWG ballots to clearly indicate that votes for market-based mechanisms should only be geared towards sector-specific strategies.

The CAT approved the Energy Supply TWG catalog of options with clarifications and amendments noted.

Transportation Technical Working Group Briefing

Jeff Ang-Olson of CCS, facilitator for the Transportation TWG, provided an overview of the progress and discussion by the Transportation TWG of options for cleaner cars, less cars, and bundling transportation with growth management. The Transportation TWG catalog of potential climate mitigation actions has six categories:

- Vehicle technology

- Vehicle operation
- Alternative fuels
- Smart growth
- System efficiency and demand management
- Non-road options

CAT members provided comments, and suggested additions and revisions to the catalog, including:

- Consider black carbon and port electrification issues: Members offered a range of opinions, from raising the question of whether black carbon is a climate issue and whether port electrification is effective, to the idea that black carbon is an important component of emissions reductions at ports and that port diesel and electrification strategies should be bundled into one large strategy. Another suggestion for managing port emissions was to support alternative fuels as a near-term strategy, and longer-term electrification to absorb costs related to retrofits. Related to port electrification was the suggestion to support international standards for plug types.
- Given a potential burden on suppliers, the effectiveness of a low carbon fuels standard was questioned.
- Produce one to two structural options that will generate system-wide solutions rather than piecemeal options.
- Consider the impacts on the poor.
- Given the potential for VMT growth to eclipse and potentially exceed potential GHG reductions in automobiles, do not assume that the things Washington has already done will be enough.
- Consider the timing and phasing of options, and the financial mechanisms to provide assistance.
- Bundle options into a combination of land-use and transportation system options that reflect a more comprehensive approach.
- Clarify in the voting that vehicle electrification is one of the actions already underway in HB1303.
- Identify the barriers: members noted that several options are not new, and to implement these options and create structural transformation, it will be important to understand why they have not yet been successful.
- Consider another request to the auto industry to join the Transportation TWG.

The CAT requested the transportation inventory be deconstructed to provide a greater understanding of Washington's transportation emissions on both a per capita basis and by industry, segment, and geographical location.

The CAT approved the Transportation TWG catalog of options with clarifications and amendments noted.

Summary and Next Steps

The CAT signaled its approval of the complete catalog of options. CAT comments will be distributed and the TWGs will begin the process of identifying a preliminary set of priority options through voting and discussion. Voting is not "winner take all"; the outcome of the voting will form the basis for TWG discussions and further clustering and development of consensus. TWGs will also begin to develop initial policy option designs or "straw proposals" for select priority policies that include a policy description; policy design (timing, goals and coverage); implementation methods; related programs and policies; estimated GHG savings and costs per ton; contribution to long-term goals, jobs goals, and reduced fuel import expenditures; additional benefits and costs; feasibility issues; status and level of group support; and any barriers to consensus. TWGs will review and revise straw proposals at the fourth TWG meeting, and the CAT will review the priority options identified for further analysis and the preliminary straw design proposals at the third CAT meeting.

The ad hoc market mechanisms group will begin its educational tutorial series by the end of June.

The next CAT meeting will be August 7, 2007, from 8:00 – 5:00 p.m., near SeaTac, Washington.

Public Comment

Several members of the public in attendance provided comments to the CAT at the conclusion of the meeting.

Richard Rush from Spokane suggested that the sense of urgency to the work of the CAT has not yet been fully realized, and noted that broad consensus in the scientific community links increasing atmospheric GHG concentrations with an increased likelihood of dangerous warming. Given current concentrations, addressing climate change is critical. Mr. Rush commented that smart growth can address the large percentage of short car trips, suggested that bike and pedestrian representatives be invited to the Transportation TWG, and recommended a variable rate structure for insurance.

A member of the public thanked the CAT for their work on behalf of her two grandsons, and on the basis of what she has witnessed in Biloxi, Mississippi from Hurricane Katrina.

Susan Meyer, the CEO of Spokane Transit, acknowledged Dennis Antonellis, who is serving on the Transportation TWG and has 26 consecutive years of safe driving for Spokane Transit, and Mayor Dennis Hession, who is a CAT member and on the Spokane Transit Board of Directors. Ms. Meyer discussed the efforts of Spokane Transit to reduce emissions and VMT. In 2006, ridership increased 9.5 percent; in 2007, it has already increased 15 percent, representing 32 million rides and 1.8 million pounds of CO2 emissions avoided. Spokane Transit has received a grant from EPA to retrofit coaches, and uses ultra low sulphur diesel. Spokane Transit does not use biodiesel because the vendor cannot acquire sufficient supply. Spokane Transit will soon have three hybrid buses, which do not have less than a twelve-year payback. Ms. Meyer noted that taxpayers will need to decide their willingness to pay more for hybrids. The solutions in Spokane will be different than on the west side of the state; as long as there is freeway capacity and plentiful low-cost parking downtown, most people will not use public transportation, even when gas costs \$3.30/gallon. Ms. Meyers suggested that transit be made more appealing for commuters, with systems built that do not just focus on the transit dependent. Spokane Transit is acquiring right of way for mass transit, and employers play a key role in promoting transit commuting with van pools and subsidized bus passes. She recommended the CAT consider comprehensive planning approaches.

Ann Murphy, President of the League of Women Voters in Spokane, urged the CAT to continue moving forward with the strongest possible action on climate change. The League of Women Voters has endorsed strong natural resource policies since the 1950s. Ms. Murphy emphasized the need for action to educate the public on energy conservation, but also to include a component of ownership that makes them want to participate. Achieving improvements will require involvement from all levels of government and include stakeholders. Ms. Murphy stated that since cars are a significant piece of the problem, there is a need to do more to balance transportation, including funding for options to get people out of their cars and using more efficient modes of transportation. With regards to incentives, there is a need to examine the impacts of incentives and credits on the entire general fund. The Spokane League of Women Voters also supports waste-to-energy, and she suggested that the Agriculture TWG examine waste-to-energy technology along with the bio reactor technology, and compare benefits. She noted that there are only a few waste

representatives on the Agriculture TWG, and none from the east side of the state. Ms. Murphy invited the CAT to tour the Spokane waste-to-energy facility.

Mike Peterson of The Lands Council, a conservation group in Spokane, thanked the members from Western Washington for coming to Spokane. The Lands Council works on forestry issues, and urban forests are particularly valuable for reducing energy consumption. Noting that protecting water has been proposed as an adaptation strategy, he suggested it also be considered as part of a mitigation strategy, given that the third largest cost of water distribution is energy. He urged the CAT to be creative, and gave as an example an approach in New Mexico where a developer who wants to build a new house must put in five low-flow toilets in other houses.

Mary Verner, of the Spokane City Council and member of the Forestry TWG, thanked the CAT for their presence in Spokane, and commented that she looks forward to learning from the CAT and other communities how Spokane City government can adopt quantifiable objectives, measure progress, and achieve their goals. The Spokane City Council has measures in place like commuter trip reduction, and is interested in approaches to green their fleets. Ms. Verner thanked CTED for assistance in assessing the regional development in the Spokane area. She noted that Spokane is very excited about the ideas coming out of the CAT effort.

Ron Reed, a business owner in Spokane for 18 years who is involved in sustainable building, expressed appreciation that buildings are part of the CAT work. He noted that Spokane is hosting a sustainability forum at the Museum of Arts and Culture, and offered to provide information to anyone who might be interested. Mr. Reed is also participating in developing a regional sustainability center for Spokane and the Inland Northwest. As a local business owner, Mr. Reed said he wanted to stand up and state that there are business people who are involved with the environment, who care about it, and who are actively working to change things for the better in Spokane.

The meeting adjourned at 4:30 pm.

Document Appendix

The following materials were distributed to CAT members at the meeting (these materials can also be found on the Washington Climate Change website and at the links provided below).

June 5, 2007 CAT Meeting Agenda
(<http://www.ecy.wa.gov/climatechange/CATdocs/060507agenda.pdf>)

June 5, 2007 CAT Meeting Presentation
(www.ecy.wa.gov/climatechange/CATdocs/060507presentation.pdf)

Compiled Technical Working Group Catalogs and Option Descriptions
(www.ecy.wa.gov/climatechange/CATdocs/060507compiledcatalogsoptiondescriptions.pdf)

Provisions of House Bill 1303 of Interest to the Washington Climate Change Challenge
(www.ecy.wa.gov/climatechange/CATdocs/060707hb1303.pdf)

Provisions of Engrossed Substitute Senate Bill (ESSB) 6001 relating to Climate Advisory Team (CAT) and Technical Working Groups (TWGs)
(www.ecy.wa.gov/climatechange/CATdocs/060707sb6001.pdf)

Washington Climate Change Challenge Flow Chart
(<http://www.ecy.wa.gov/climatechange/CATdocs/flowchart.pdf>)