
Washington Climate Change Challenge

Climate Advisory Team

Summary of Fourth Meeting

Friday, September 7, 2:30 p.m. – 5:00 p.m.
Teleconference and Webinar

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 Departments 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 named liaisons to the CAT. Representative Doug Ericksen and Senator Jerome Delvin have been appointed to represent the Republican Caucus, and Representative Kelli Linville and Senator Craig Pridemore have been appointed to represent the Democratic 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 fourth meeting on September 7, 2007, by conference call. The meeting was open to the public.

All members were present at the fourth meeting except Rev. Alexander J. Brunett (Sister Sharon Park, alternate), Vicky Carwein, Senator Jerome Delvin, Rep. Doug Ericksen, Mike Kreidler (Chris Carlson, alternate), Jay Manning (Janice Adair, alternate), Debora Moore, Senator Craig Pridemore, Michael Rawding, Rich Riazzi (Wayne Wright, alternate), Terry Uhling (Craig Smith, alternate), and Kirk Thomson. Approximately thirty-five members of the public and interested stakeholders joined the meeting, but because the meeting was a conference call, their affiliations were not identified.

There were five objectives for the meeting:

1. Review and affirm the remaining Technical Working Group (TWG) straw proposals.
2. Provide updates on the planned outreach to the investment and entrepreneurial community.
3. Discuss how best to provide meaningful opportunity for public review and comment of the CAT's draft final report.
4. Discuss how the CAT can begin to consider other elements associated with the recommendations for a comprehensive climate program for Washington, in addition to the TWG options.
5. Provide members with the specific details about what will happen next in the process.

Welcome and Agenda Review

CAT Co-Chair Juli Wilkerson thanked the CAT members for their commitment and dedication to the process. The CAT reviewed the agenda, and noted that primary meeting focus was for the CAT to affirm, amend and adjust as necessary the remaining policy option proposals from each TWG.

Forestry Technical Working Group Briefing

At the August 7 CAT meeting, the CAT affirmed the complete list of priority options from the Forestry TWG, but did not review any straw proposals. Because TWG members felt the options were highly interrelated, the TWG decided to present the complete set of straw proposals at the September 7 meeting. CAT representatives who have participated on the Forestry TWG testified to the hard work of the members and noted that the TWG forwarded a robust set of options. These representatives asked the full CAT to approve the proposals in favor of allowing the TWG to develop a fuller analysis of the options, despite the interrelatedness between options.

Katie Bickel of CCS, facilitator for the Forestry TWG, provided an overview of the straw proposals for the eight recommended forestry priority options. CAT members provided comments and suggestions:

F-1: Improved Forest Health (originally 2.6)

- In F-1, F-3 and others as appropriate, consider opportunities to recognize, acknowledge and suggest involvement from federal land managers in working cooperatively with the State on forest land activities.
- The Northwest Indian Fisheries Commission is developing a proposal for ascribing value to the improved functionality that accompanies the forest system health and restoration potential contained in options F-1, F-3 and F-7.

F-2: Reduced Conversion to Nonforest Cover (originally 2.1)

- Examine whether the state has incentives that promote conversion.

F-3: Enhanced Carbon Sequestration in Forests (originally 2.4)

- Consider using different terminology when referring to a baseline as “business as usual,” which , could be a burdensome proof point than a business as usual baseline. Refer instead to “baselines” in a general way.
- Clarify whether the proposed implementation mechanisms are intended to be voluntary or regulatory.
- Reference sustainable soil function and returning byproducts as soil amendments in F-1, F-3, F-5 and F-6.
- In the implementation mechanisms, explicitly highlight sustainable forest practices.
- Clarify whether the options include both working and non-working forests in options F-1, F-2 and F-3.

F-4: Expanded Use of Wood Products for Building Materials (originally 3.3)

- Clarify the scope for this option, and consider encouraging recycled products as building materials.

F-5: Expanded Use of Biomass Feedstocks for Electricity, Heat and Steam Production (originally 1.1)

- Clarify that this option refers to pulping facilities.

- Compare the goal levels with the baseline of current industry biomass generation capabilities.
- Consider setting the goal as a percentage of energy used by facilities rather than the percentage of facilities with generation capacity.

F-6: Improved Commercialization of Advanced Lignocellulosic Processes (hydrolysis, gasification, pyrolysis or other) (originally 1.4, with 1.2 as a subset)

- Reevaluate the goal level and the readiness of lignocellulosic technology.
- Consider how the goal relates to the Agriculture TWG biofuels option and potentially broaden the goal so it includes nonfood energy crops (if these are not covered by the Agriculture option).
- Include language that the roadmap to the first commercial biorefinery will consider the impacts on the greenhouse gas balance in timber and other feedstocks.

F-7: Enhanced Carbon Sequestration in Harvested Wood Products (originally 2.5)

- Be attentive to the potential for double-counting with this option and options F-3 and F-4.

F-8: Urban and Community Forests

- CAT members thanked the TWG for developing this proposal and commented that urban forestry has been underestimated in its capability for carbon sequestration and other benefits.

Agriculture Technical Working Group Briefing

At the August 7 CAT meeting, the CAT affirmed the complete Agriculture TWG list of priority options, suggested the TWG develop an additional integrated regional food system option, and reviewed and affirmed three straw proposals. Katie Bickel of CCS, facilitator for the Agriculture TWG, provided an overview of the straw proposals for the five remaining options, and CAT members provided comments and suggestions:

AW-2: In-State Production of Biofuels and Biofuels feedstocks (originally 1.2 and 1.3)

- Consider replacing the phrase “waste biomass” with “byproducts”, since use of the term “waste” may inadvertently connote regulatory implications.

AW-5: Agricultural Nutrient Management (combines original 3.2, 3.3, and 5.2)

- Compare and contrast the range and mix of implementation mechanisms so the CAT can best identify the opportunities that achieve results.

AW-6: Reductions in On-Farm Energy Use and Improvements in Energy Efficiency (originally 5.1)

- Consider enhanced access to technology (e.g. GIS applications) and research (e.g. WSU extension programs) as a potential implementation mechanism.

AW-8: Support for an Integrated Regional Food System (originally 5-3)

- The CAT endorsed the TWG's recommendation to continue developing this proposal for future review.

Residential, Commercial and Industrial Technical Working Group Briefing

At the August 7 CAT meeting, the CAT affirmed the complete RCI TWG list of priority options and four initial straw proposals. David Von Hippel of CCS, facilitator for the RCI TWG, provided an overview of the straw proposals for the seven remaining options, and CAT members provided comments and suggestions:

RCI-5: Rate structures and Technologies to Promote Reduced GHG Emissions (including Decoupling of Utility Sales and Revenues) (originally 5.3)

- Consider the practicality of assessing occupancy rather than size given the transitory nature of housing.
- Consider the obstacles around decoupling design, focus on energy conservation rather than decoupling in general, and determine a way to be fair to shareholders.
- Consider smart metering for commercial and industrial sites as well as residential meters.

RCI-6: Provide Incentives to Promote and Reduction of Barriers to Implementation of Renewable Energy Systems (originally 6.1)

- The CAT had no comments on this option.

RCI-7: Provide Incentives and Resources to Promote and Reduction of Barriers to Implementation of Combined Heat and Power (CHP, or "cogeneration") and Waste Heat Capture, Including Net-metering for Combined Heat and Power (originally 6.2 and 5.2)

- The CAT had no comments on this option.

RCI-8: Consumer Education Programs, Including Labeling of Embodied Life-Cycle Energy and Carbon Content of Products and Buildings (originally 4.1 and 8.2)

- Clarify whether this option is building on existing labeling programs (e.g., Energy Star).

RCI-9 Identify GHG Emissions Impacts and Measures to Avoid, Minimize, or Mitigate them for Projects Requiring Government Review, and in Designing Government Rules and Regulations (originally 7.7 and 7.8)

- Clarify that the focus with SEPA is how to include climate more specifically in the environmental checklist, not that the authority to do so is needed.

RCI-10: More Stringent Appliance/Equipment/Lighting Efficiency Standards, and Appliance and Lighting Product Recycling and Design (originally 3.1 and 8.1)

- The CAT had no comments on this option.

RCI-11: Policies and/or Programs Specifically Targeting Non-energy GHG Emissions (originally 7.4)

- The CAT had no comments on this option.

Transportation Technical Working Group Briefing

At the August 7 CAT meeting, the CAT affirmed the complete Transportation TWG list of priority options and reviewed and affirmed the straw proposals for eight of the options. Jeff Ang-Olson of CCS, facilitator for the Transportation TWG, provided an overview of the straw proposals for the four remaining options, and CAT members provided comments and suggestions:

T-1: Transit, Ridesharing, and Commuter Choice Programs (originally 5.2, 5.3, and 5.6)

- The CAT had no comments on this option.

T-3: Transportation Pricing (originally 5.7, 5.9, and 5.12)

- The King County mileage-based insurance pilot program is in the data gathering phase, so a CAT member noted that it would be difficult to expand the pilot substantially by 2010, as stated in the policy option design. Jim Lopez will follow-up to obtain information on this project.

T-9: Transportation System Management (originally 5.1)

- The CAT had no comments on this option.

T-10: Incentives to Promote Low-GHG Vehicle Technologies (originally 1.5)

- Consider how to integrate plug-in hybrid vehicle technologies to offset peak use during the day.

Energy Supply Technical Working Group Briefing

At the August 7 CAT meeting, the CAT affirmed the complete Energy Supply TWG list of priority options and reviewed and affirmed straw proposal for five of these options. Alison Bailie of CCS, facilitator for the Energy Supply TWG, provided an overview of the straw proposals for the two remaining options for the CAT:

ES-6: Transmission System Capacity, Access, Efficiency, and Smart Grid (originally 6.1, 6.2, and 6.5)

- The CAT had no comments on this option.

ES-7 Combined Heat and Power (CHP) and Thermal Energy Recovery and Use (originally 2.5)

- The CAT had no comments on this option.

Update on Investment and Entrepreneurial Community Outreach

Members of the investment and entrepreneurial communities are being invited to participate in a meeting in September to answer two questions:

1. What are the governmental 'market signals' that the financial community looks for when investing in clean energy/low carbon technologies?

2. Are there any specific areas of interest to the financial community which connect with strategies under consideration in the Climate Challenge process?

Results from this outreach will be discussed with the CAT at the October 4 meeting. Ideas generated from this outreach will inform the CAT's discussion of a comprehensive climate program and final recommendations.

Update on Public Review and Comment Process on the Final Draft Report

The CAT Co-Chairs are developing a public review process to maximize opportunities for the public to comment on substantive CAT recommendations. This process will consist of public meetings around the state and a complementary web-based process in mid-December. As recipients of the report, the CAT Co-Chairs or staff will be present at the public meetings, and are recruiting CAT members to participate as well. The expectation is not that all CAT members will participate in all the public meetings, but the goal is that some CAT members will be present at each meeting.

Developing a Comprehensive Climate Program for Washington

Due to time limitations, this session consisted of an update rather than a discussion. Strategies for reducing emissions are being developed by the TWGs, and strategies for preparing for impacts are being developed by the PAWGs. In addition to these foundational individual strategies, broader economy-wide "signals" will be needed to achieve the emissions reductions goals established by the governor. The CAT has begun to consider broader questions and issues emerging across individual TWG proposals such as labeling, and the regulatory-voluntary considerations. In addition, ideas have emerged from the market-based mechanism webinars and Washington's involvement in the Western Regional Climate Action Initiative (WCI) process, as well as from CAT member perspectives. The CAT may wish to make recommendations regarding other elements of a comprehensive climate program for Washington. These elements might include the market mechanism(s) that will best ensure the emission reductions goals are achieved; the functions the government should fulfill as the program is institutionalized and implemented over time; the tools, resources and authorities needed to implement and perform these functions; the substantive competitive advantages within Washington's economy relevant to the design and implementation of such a program; and others.

Conversation by the CAT around a comprehensive climate program will begin in earnest at the October 4 CAT meeting, and will be started with a presentation and discussion of WCI progress to date.

Summary and Next Steps

The TWGs will begin reviewing quantification procedures, and develop and review a first round of quantification results for policy options. If possible, the TWGs will identify early consensus options to recommend for CAT approval on October 4.

At the October 4 meeting, the CAT will begin discussions about developing a comprehensive climate program for Washington, discuss outreach results to improve the business climate for clean energy investments, discuss quantification principles and guidelines, and review potential early consensus options from the TWGs.

Public Comment

There were no comments from the members of the public observing this meeting.

The meeting adjourned at 5:00 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).

September 7, 2007 CAT Meeting Agenda

(www.ecy.wa.gov/climatechange/CATdocs/972007CATAgenda.pdf)

September 7, 2007 CAT Meeting Presentation

(www.ecy.wa.gov/climatechange/CATdocs/090707CATpresentation.pdf)

Remaining Straw Proposals from each TWG:

- Residential, Commercial & Industrial TWG
(www.ecy.wa.gov/climatechange/TWGdocs/rci/90707RCIOptions.pdf)
- Transportation TWG
(www.ecy.wa.gov/climatechange/CATdocs/90707TRAoptions.pdf)
- Forestry TWG
(www.ecy.wa.gov/climatechange/CATdocs/090707FORPolicyOptions.pdf)
- Agriculture TWG
(www.ecy.wa.gov/climatechange/CATdocs/090707AGRPolicyOptions.pdf)
- Energy Supply TWG
(www.ecy.wa.gov/climatechange/CATdocs/972007ESOptions.pdf)