

DRAFT MEETING SUMMARY
Washington Climate Advisory Team (CAT)
Energy Supply Sector Technical Work Group (ES TWG)
Call #2, May 24, 2007, 9:30am – 11:30am

Attendance:

1. Technical Working Group members:

Rod Brown	Washington Environmental Council
Greg Carrington	Chelan PUD
Kyle Davis	Pacificorp
Jud Virden	PNNL
(for Mike Davis)	
Roger Garratt	Puget Sound Energy
Bob Guenther	IBEW 77
Nancy Hirsch	NW Energy Coalition
Tony Ifie	DNR
Doug Jackson	Transalta
Bill Kidd	BP
Steve LaFond	Boeing
Bill LaBorde	Wash PIRG
Kris Mikkelsen	Inland Power
Patrick Oshie	UTC
John Ryan	Weyerhaeuser
Janelle Schmidt	BPA
Brian Skeahan	Cowlitz PUD
Collins Sprague	Avista Corp.

2. Center for Climate Strategies (CCS) staff:
 - Michael Lazarus
 - Alison Bailie
 - Greg Powell
 - David Von Hippel

3. Washington State Agency (ECY/CTED) Liaison and Attendees:
 - Stacey Waterman-Hoey
 - Greg Nothstein
 - Gail Sandlin
 - Howard Schwartz
 - Stu Clark

Background documents:

(all posted at http://www.ecy.wa.gov/climatechange/cat_twg_energy.htm)

1. Agenda
2. Powerpoint presentation for meeting
3. Catalog of State Actions
4. Descriptions of Catalog Items

Discussion items and key issues:

1. Alison Bailie started the meeting with roll call and review of agenda
2. Michael Lazarus discussed procedures for the public to listen to the TWG calls and provide comments through the CAT website. He also discussed next steps in the process
 - a. CCS will revise the catalog of options and descriptions of options, based on today's call and any input sent in by the TWG members
 - b. CCS can provide rough estimates (H/M/L) of GHG reductions and cost per ton reduced for each option, if the TWG wants to have this information provided
 - c. This updated catalog will be provided to the CAT (and the TWG) prior to the June 5 CAT meeting
 - d. CAT members will have the opportunity to add new options to the Energy Supply catalog at June 5 meeting
 - e. CCS will update the catalog, following the June 5 meeting, and provide the Energy Supply TWG members with a ballot. TWG members will use these ballots to identify the options with the highest priorities for analysis. TWG members will also have the opportunity to provide comments on the options and reasons for voting.
3. Michael and Alison then led the TWG through a discussion of the options in the catalog.

TWG members provided the following suggestions

New Options

- Education – TWG members noted the importance of education and outreach in pursuing many of the options. While each option can include education as part of the implementation mechanisms, the group decided that this aspect warranted an independent option to account for overarching climate change education for energy supply.
- Efficiency improvements to existing renewable plants
- Use of carbon offsets market as an option for additional renewable generation
- LNG policies and infrastructure
- Support and/or promotion of smart grid development

Revisions to Existing Options

- 2.3 Distributed Renewable Energy Incentives – extend M&E (machinery and equipment) tax credits for low-carbon technologies beyond 2009
- 2.5 Combined Heat and Power - expand to include Thermal Energy Recovery and Use.
- 2.7 Renewable Energy Development issues – include support for developers in reducing legal problems for achieving federal incentives. Also, mention two potential strategies (with some contradiction) for streamlined zoning: a) bump renewable projects over 25 MW to state jurisdiction for permitting; and b) encourage/provide incentives for energy overlays in county zoning
- 2.8 Technology-focused Research and Development – explicitly include wave power, tidal, low-heat geothermal, concentrating solar, biomass technologies, spent pulping liquor to gas.
- 3.1 Advanced fossil fuel technology incentives, support, or requirements – split into two sub-categories: 3.1a Advanced fossil fuel generation and pre-combustion sequestration technologies and 3.1b Post-combustion sequestration technologies
- 4.5 GHG emission reduction incentives, support, or requirements for coal to liquids production– split into two sub categories: 4.5a Coal to liquids production and 4.5b Coal to gas production.
- 5.1 CCSR incentives, requirements and policies – suggestions for aspects of the option include: Identify potential carbon sequestration reservoirs (permanent geological storage and other permanent capture opportunities), CO2 pipeline transmission issues (from source to reservoir), policies for CO2 sequestration - including state permitting, issues regarding short and long term liability, need for comprehensive legal and regulatory framework for CCSR, consider modifying traditional least-cost/least risk regulatory standard for IGCC and CCSR, consider tax credit plus accelerated depreciation as incentive, consider timely cost recovery standard (such as “pay as you go”)
- 6.1 Transmission System Upgrading – was renamed and defined to “Transmission system access, planning and incentives” with focus on increasing access for clean energy sources

Other comments

- One member suggested removing 3.2 Nuclear power support or incentives, but facilitators reminded the group that this stage in the process is limited to adding new

options/revising current. TWG members will have the opportunity to identify their priority options for analysis at the next stage, following the June 5 CAT meeting.

- Additional information was requested for inclusion in the options description to explain the difference between a cap and trade design which is economy-wide vs. sector specific. CCS facilitators explained that the Cap and Trade option would be discussed further at the CAT meeting, especially regarding the Energy Supply TWG contributions.

TWG members agreed to provide following information

- Text on changes needed to reduce legal requirements to obtain federal incentives
- Information on impact of Oregon's commitment to 100% renewable energy (state agencies)
- Suggestions for DSM options (information will be sent to RCI TWG)

Next steps and agreements:

1. The group indicated their preference for CCS to provide rough estimates of GHG emission reductions and costs per ton of reductions.
2. CCS will revise catalog based on today's conversation and other input from TWG members. The revised catalog (with estimates of reductions and costs) and option descriptions will be sent to TWG members for review and to CAT members for June 5 meeting.
3. TWG members will provide any comments on the revisions and estimates to CCS facilitators prior to June 5 CAT meeting.
4. Following the June 5 CAT meeting, CCS will revise the catalog (as needed) and supply a ballot and instructions to the TWG members for voting on priority options for analysis prior to next TWG meeting
5. TWG members will review the draft Inventory and Forecast and provide any questions or revisions to CCS.
6. CCS will review recent state actions and develop a suggested calculation method to estimate the future emission reductions of these actions.

Next meeting:

Next meeting is set for June 18, 2007, 9:30 to 11:30am