

MEETING SUMMARY
Washington Climate Advisory Team (CAT)
Energy Supply Sector Technical Work Group (ES TWG)
Call #4, July 30, 2007, 9:30am – 11:30am

Attendance:

1. Technical Working Group members:

Rod Brown	Washington Environmental Council
Gregg Carrington	Chelan PUD
Kyle Davis	Pacificorp
Jud Virden	PNNL
(for Mike Davis)	
Peggy Duxbury	City of Seattle
Roger Garratt	Puget Sound Energy
Bob Guenther	IBEW 77
Nancy Hirsh	NW Energy Coalition
Danielle Dixon	NW Energy Coalition (for Nancy Hirsh)
Kim Drury	NW Energy Coalition (for Nancy Hirsh)
Tony Ifie	DNR
Sherie Kenepah	TransAlta
(for Doug Jackson)	
Bill Kidd	BP
Bill LaBorde	Wash PIRG
Steve LaFond	Boeing
John Ryan	Weyerhaeuser

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
Gail Sandlin
Greg Nothstein
Howard Swartz

Background documents:

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

1. Agenda
2. PowerPoint presentation for meeting
3. REVISED Draft Policy Options Descriptions
4. Draft Policy Options Descriptions

Discussion items and key issues:

1. Michael Lazarus and Alison Bailie started the meeting with roll call and review of agenda
2. Michael and Alison reviewed notes from previous meeting. The notes were approved by the group.
3. Michael explained the August 7, 2007 CAT meeting.
 - a. CAT will have 45-60 minutes to review each TWGs' list of high priority options for further analysis and support, reject or revise the options on the list.
 - b. CAT will also review the policy design elements of a subset of the TWG priority options. The TWG will decide today which options have been developed sufficiently for CAT review at the August 7 CAT meeting. The policy design elements of the remaining options will be reviewed during a later CAT meeting/conference call.
 - c. CAT will also review the GHG inventory and forecast update and the 'recent actions' memo
 - i. Comments on the inventory and forecast are due by COB today (July 30, 2007)
 - ii. The inventory and forecast is still undergoing revisions due to an evolving set of calculations
 - Washington-specific projections for electricity generation are being incorporated, which has implications on estimated avoided emissions from electricity savings.
 - The 1990 emissions for electricity consumption are still under review. The latest calculations indicate lower emissions than previously estimated; this implies that greater emission reductions will be required to meet the State's GHG reduction goals.
 - iii. CCS will organize a conference call to discuss the calculation approaches applied for electric sector emissions (eg. 1990 calculations and future projections)
 - iv. TWG members can expect an update to the inventory and forecast in October

4. A discussion of the priority options descriptions document took the remainder of the meeting. Michael noted that the TWG needs to trim options descriptions so CAT can get through all options on its agenda. To facilitate these edits, he suggested that the TWG focus on the high level features of the policy description and design and create ‘other considerations’ section under each option. Secondary text could be moved to ‘other considerations’ section.
 - a. ES-1 discussion
 - i. A revised edit sent to Greg on July 30, 2007 that differed from version in the posted document, the revised edit was sent to the TWG during the TWG call.
 - ii. This goal of this option is to encourage utilities to voluntarily increase renewable generation beyond I-937 and SB 6001 requirements. Focused on regulatory uncertainty, transmission barriers, incentives, etc.
 - iii. CCS suggested that the option write up be revised to focus on the “Potential solutions” for the information to be provided to the CAT.
 - iv. One question from the volunteer group is “How to accomplish similar goals for public utilities?” A TWG member offered to review the write-up with that question in mind.
 - v. Another TWG member noted that the potential solution to siting barriers may have already been covered by recent legislation. CCS will double-check to ensure that the TWG is not suggesting recommending actions that have already occurred.
 - b. ES-2 discussion
 - i. There were concerns about the size definition suggested for distributed generation. The 25kW cap is not discussed in current draft
 - ii. Definition of ‘distributed’ – suggestions include increasing the size to 200kW to include more agricultural opportunities
 - iii. Remove John Ryan’s name from ES-2 since he did not contribute to this option
 - iv. A key uncertainty of this option is the evolution of capital costs for these technologies. As they become more mainstream, there is potential for reductions in the upfront costs, which is difficult to estimate and thus adds mystery to how much can be achieved with this option
 - v. Specific incentives or even regulations for PV and DG in new residential or commercial developments could be added
 - vi. CCS could take input from group or other sources and help develop estimates for goals, for example based on analyses of economic potential.
 - c. ES-3 discussion

- i. Focused on 3 things: efficiency improvements, capacity additions, switch to low-emitting fuels
 - ii. Implementation – policies and principle, laws and regulations (I-937 has done to certain degree), market-driven incentives, financial incentives
 - iii. The volunteer group had agreement on general incentives for efficiency. There was disagreement on whether to make changes within I-937. Two concerns: if I-937 were to include BPA, might flood market with low-cost existing renewable resources (thus the minimum renewable requirements would need to be increased for the policy to have any effect); However, as is stands, several non-qualifying producers would be ‘locked out’ of I-937
 - iv. Some information may be available from EPRI or other trade organization reports on the potential for energy efficiency based on audits.
 - v. CTED advised checking the BPA regional dialogues to see what federal incentives exist. BPA may already be implementing efficiency improvements and state could have limited opportunity to affect federal operations. Other PUDs may have greater opportunity.
 - vi. Gregg to revise ES-3 by 10am, July 31, 2007.
- d. ES-4 discussion
- i. Description – focus on encouraging advances in technologies that promote cleaner energy supply
 - ii. Design – propose establishing an emerging energy technology program
 - iii. Increase collaboration between institutions
 - iv. Goal to set up government program with \$10M of seed money – TWG member suggested considering ways to include funding from private sector.
 - v. John Ryan to send text with some additional aspects to be included.
- e. ES-5 discussion
- i. Some TWG members disagreed with some of the elements of the policy design – CCS will attempt to distinguish between elements that the TWG supports (a) with other elements denoted as ‘not consensus’ (b-e)
 - ii. Several members suggested a preference for combining ES-8 and ES-5 with different text around advanced coal technologies.
- f. ES-6 discussion
- i. Send input to Stacey by email
 - ii. CAT could approve as high priority option but not consider details
- g. ES-7 discussion [Stan Gent, invited expert from Seattle Steam, joined the call for discussion of this option]

- i. CCS to take first pass at distilling and get back to ES-7 volunteers
- ii. Reduce prescriptiveness presumption
- iii. Goal / numbers from Washington State University team developing new estimates. Agreed to delete numbers and keep “2,000” in parantheses
- h. ES-8 discussion
 - i. TWG agreed to combine with ES-5
- i. ‘Tier-2’ options (Options with significant interest based on previous voting results but did not receive enough votes to be considered “high priority”)
 - i. The TWG members decided to keep options on list to avoiding losing them but not to consider as high priority at this time

Next steps and agreements:

- Revised options descriptions due in CCS’s inboxes by July 31, 2007 10am PDT.

Next meeting:

Next meeting is set for August 30th, 2007, 9:30 to 11:30am